Annual report 2012

Financial Intelligence Unit-the Netherlands

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Preface

The year 2012 was an important and productive year for FIU-the Netherlands. Once more, the organization made a significant contribution to various successful criminal investigations by providing information on suspicious transactions and, in many cases, also additional analyses and relevant insights. The transactions declared suspicious and disseminated to investigative authorities in 2012 amounted to 680 million [1/] Euros, and once again it has been shown that FIU-the Netherlands has valuable transaction information on a variety of forms of crime. Please refer to the final chapter on cases to find striking examples of the contributions of FIU-the Netherlands to investigations.

A few noteworthy matters deserve attention. The total number of transactions reported has increased. The banks however, traditionally the major reporting parties, seem to have reported fewer cases to FIU-the Netherlands for the second year running. A lower percentage of these reports were forwarded to the investigating authorities and the amount involved, decreased strongly. This development will be examined in detail in Chapter 7.3.2.1, and it is currently being investigated in cooperation with the banks and the supervisory authority.

In general, the number of reports of suspicious transactions forwarded remained more or less the same as in the preceding year. In order to make optimal use of its investigating capacity, FIU-the Netherlands decided in 2012 to carry out more complex analyses and studies of its data, so as to be able to provide the investigating partners with more useful information and intelligence. The rationale behind this decision was that it was more important to provide suspicious transactions that fitted in with the priorities set, or the questions asked, by the investigating services than merely to provide a great number of suspicious transactions. The FIU-the Netherlands decided to focus on quality rather than quantity. This implied that the number of reports that are usually forwarded on the basis of automatic VROS matches, fell sharply.

In the past year, FIU-the Netherlands did not have a report and analysis tool (R&A tool) at its disposal. For this reason, the analyses that it did carry out were, in general, labour-intensive. The improvement and further development of the management information system GoAML also required capacity. In view of its limited workforce, FIU-the Netherlands will have to continue to make choices with regard to the way in which it researches its data. The R&A tool, which will be implemented in the course of 2013, will make a number of processes more efficient and it will better enable the FIU-analysts to select the most relevant or high-risk transactions for further analysis.

In addition to providing good operational results, FIU-the Netherlands has taken important steps to further improve and expand its collaboration with various national and international network and chain partners. This collaboration is important for the process of continuously enhancing the quality and effectiveness of FIU intelligence.

There have also been important developments related to the organization itself. The momentum created by the introduction of the Dutch National Police Force has been used to simplify and improve the governance and administrative positioning of FIU-the Netherlands within the police organization, in accordance with the recommendations made by the Financial Action Task Force (FATF). Significant steps in this process have been made in consultation with the Ministry of Security and Justice, the Ministry of Finance and the National Police Force. The final result will be that, as from 2013, FIU-the Netherlands will function as a clearly recognizable, independent and autonomous entity, which primary processes will be facilitated by the National Police organization.

[1/] 680 million euros is the total amount of the suspicious transactions that were made available to the investigating services in 2012. Further investigations may show how much of this can be confiscated.

Last year's good results do not mean that the performance of FIU-the Netherlands cannot be improved. It is our ambition to make FIU-the Netherlands a permanent significant influence in the fight against and the prevention of money laundering and financing of terrorism. However, the performance capacity of FIU-the Netherlands is curbed by its limited workforce at present, as was also observed in the preface to the previous annual report. In spite of that, we will make a sustained effort to enhance our performance, to further professionalize our provision of services and to be responsive to our partners' needs and expectations in the years to come.

FIU-the Netherlands is fully committed to maximize its added value for society and public and private partners. This annual report will hopefully demonstrate this commitment.

Hennie Verbeek-Kusters EMPM, 10 May 2013
Head of FIU-the Netherlands

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0 Executive summary

In 2012, FIU-the Netherlands underwent a number of important developments in both its primary and its secondary processes. For instance, the introduction of the National Police was used as an opportunity to reduce the complexity of the administrative position of FIU-the Netherlands and to enhance its independence, in accordance with the recommendations in the 2011 FATF evaluation report. In the new legal situation, FIU-the Netherlands will function as a clearly recognizable, autonomous and independent entity, and its operations will be facilitated by the National Police organization.

As in previous years, key figures were produced for 2012. The number of unusual transaction reports rose by 25% compared to 2011. This increase mainly concerned money transfers. The number of reporting entities again increased slightly in the past year, in particular among the 'independent professions', such as accountants, lawyers, tax consultants, etc. The number of suspicious transaction reports rose slightly, and they amounted to more than 680 million[2/]. Euros. The key figures are described in detail in Chapter 7. The following striking details deserve mention at this point:

- A substantial decrease in the number of unusual and suspicious transactions reported by Holland Casino due to changes in the reporting policy;
- A sharp fall in the number of unusual transaction reports made by banks (connected with deposits in accounts and funds transfers);
- Risks concerning subagents of currency exchange offices surfaced again in 2012;
- A sharp rise in the number of reports on prepaid cards, due to increased use and greater awareness of the risks among reporting parties. More than half of the suspicious transactions reported by currency exchange offices concerned these prepaid cards;
- A sharp increase in the number of reports forwarded by the Central Fine Collection Agency (CJIB) and the Prosecution Service Criminal Assets Deprivation Bureau (BOOM), due to better collaboration.

During the past year, FIU-the Netherlands again collaborated closely with the various investigating authorities. FIU-the Netherlands' own investigations contributed to criminal investigations and projects concerning contract killings, fraud, drugs and fugitive criminals. Insight was provided into a network with funds flows towards Hungary. This information was shared with investigating partners, the Hungarian FIU and a number of reporting entities, so as to enable them to attune their compliance schemes in this respect. This is a fine example of a successful chain-oriented approach.

FIU-the Netherlands cooperated in the improvement of compliance with the Anti-Money Laundering and Counter-Terrorist Financing Act (Wwft) within the Non-Reporting entities project. Furthermore, several measures were taken to share the FIU information better and more widely, and during the Information day for investigating services, the FIU drew attention to the usefulness of FIU data and analyses. The specialist expertise team of the Central Criminal Investigations Division and FIU-the Netherlands drew up the National Crime Pattern Analysis of Money Laundering 2012 (part of the National Threat Assessment 2012).

In 2012, as before, FIU-the Netherlands cooperated and exchanged information at an operational level with FIUs throughout the world. In policy-related matters, FIU-the Netherlands invested in international cooperation, for example by active participation in the various international collaborative projects and forums, i.e. the EU FIU Platform, FIU.net, the Egmont Group and the FATF. FIU-the Netherlands conducted investigations that contributed to FATF projects related to money-laundering risks in legal professions and money-laundering and terrorist financing threats in the diamond trade

2/ See footnote 1.

business. There were separate collaborative projects with the Danish and the Swedish FIUs. By way of follow-up on the Public Prosecution Service's general project on recovering criminal assets, FIU-the Netherlands, together with the International Affairs unit of the Netherlands Police Agency, started the project 'Recovering criminal assets abroad'. Within this project, joint investigations are being conducted with the Colombian FIU and other parties.

In 2012, the Counterterrorism and Proliferation Financing team of the FIU-the Netherlands was directly involved in several national and international counterterrorism investigations and conducted research for ongoing and closed investigations. This resulted, inter alia, in the publication of 37 alert documents for investigation and intelligence services and the development of a new risk profile for money flows possibly related to terrorism. No specific unusual transaction reports were received by FIU-the Netherlands in 2012 related to proliferation financing. In spite of this, FIU-the Netherlands – on the basis of its own investigations – provided transaction details to the Counter proliferation unit of the General Intelligence and Security Service (AIVD) in a number of cases. In addition, the team participated in various national and international joint-projects, such as the CT infobox and working groups of the Egmont Group.

As in previous years, in 2012 FIU-the Netherlands had frequent contacts with the reporting entities and the supervisory authorities in order to improve the quality of the reports and inform the reporting entities about the characteristics of high-risk transactions. In addition to consultations with supervisory authorities, reporting entities and dealer associations, presentations were regularly given during various meetings and seminars. The FIU-the Netherlands' website was made more user-friendly for the reporting entities and several information sheets were published, for example regarding Section 17 of the Anti-Money Laundering and Counter-Terrorist Financing Act. FIU-the Netherlands and Schiphol Passengers Customs region collaborated to streamline the reporting process and improve the quality of the reports.

In the Caribbean Netherlands, FIU-the Netherlands is represented by an administrative liaison. In 2012, this liaison advised reporting entities from the Caribbean Netherlands about the use of the current GoAML webform and invested in more cooperation with the chain partners in the Caribbean Netherlands. In view of the coming into force of the BES Islands Anti-Money Laundering and Counter-Terrorist Financing Act (Wwft BES), several information days were organized on Bonaire for various reporting groups. The number of reports from the Caribbean Netherlands and the total amount of money concerned increased significantly in the past year: from 650 reports totalling 56 million Euros in 2011, to 1,325 totalling more than 225 million Euros in 2012. The quality of these reports has also improved significantly.

In the field of IT, FIU-the Netherlands experienced both successes and setbacks in 2012. The basic system GoAML had two new releases, with new and improved features that enable the FIU to better execute its legal tasks. However, it was not before 1 November 2012 that the required means and capacity for the implementation of the reporting and analysis tool (R&A) were secured at VtsPN (Netherlands Police Collaboration Facility). This delayed the introduction of the tool; actual implementation of the R&A-tool has been planned for 2013. Due to the delay in the introduction of the R&A tool, several policy objectives for 2012 could not be achieved, such as for instance the creation of a format for regional transaction analyses.

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1 Developments of FIU-the Netherlands

The financial and economic crime pattern is continually changing, both in the Netherlands and elsewhere. New payment methods and other technological developments enable criminals to find new ways of improper use and abuse of the Dutch financial system. Although these developments are kept under control as much as possible by the multidisciplinary approach to organized and financial economic crime, involving central government and the entire security and justice chain, it is important for FIU-the Netherlands to monitor any new developments. This is necessary to identify and analyse new money-laundering practices, other criminal phenomena and trends and to raise awareness of them with both reporting entities and investigation partners, in accordance with the FIU's statutory tasks[3/].

In 2012, FIU-the Netherlands underwent a number of important developments in both its primary and its secondary processes. Preparations were made for the new positioning of the organization, the GoAML application was developed further, relevant additional sources of information were surveyed and a study was made of how best to obtain insight into the use of FIU information. These developments will be described briefly in the following sections.

1.1 Statutory tasks: receive, analyse, and disseminate

On the basis of the Anti-Money Laundering and Counter-Terrorist Financing Act Anti-Money Laundering and Counter-Terrorist Financing Act (Wwft), FIU-the Netherlands collects, analyses and processes reports of unusual financial transactions in order to determine whether these data may be important for the prevention and detection of criminal offences (in particular money laundering and financing of terrorism). The overarching objective is to protect the integrity of the financial system of the Netherlands and other countries. If FIU-the Netherlands has indications that there is a criminal connection, the unusual transactions are declared suspicious and disseminated to national and international investigating services and partners in the field of security and justice.

As a result of it statutory task, FIU-the Netherlands has a unique information position and alerting role among the services involved in the fight against money laundering and financing of terrorism, and in the financial approach to crime in a broad sense. FIU-the Netherlands operates at the intersection of the public and the private sector, a position which enables it to gather and interpret unusual transactions. This process has largely been automated: the reporting entities can report unusual transactions by means of a web form, and the reports are immediately stored in a digital, secure environment. All incoming reports are in principle periodically matched with the VROS file[4/], so that some form of investigation always takes place. The matching produces hits, which need to be investigated further before they can be declared suspicious. Unusual transactions can also be declared suspicious on the basis of screening in response to LOvJ requests[5/], requests from foreign FIUs, matches with other data files (additional sources, such as CJIB or BOOM lists of subjects), or the FIU's own investigations.

On the basis of its statutory tasks, as a results of its analyses, FIU-the Netherlands provides its partners with the following types of products:

- information sheets (to inform reporting entities about, among other things, changes in the relevant legislation);
- investigation files for investigating partners (in these files, suspicious transactions are grouped in relation to a certain subject or type of crime);
- pre-decision documents (used by the FIU-the Netherlands to support investigating partners by preparing a proposal for criminal investigations);
- signal documents (signalling new or striking phenomena or developments in the field of money laundering or financing of terrorism and outlining possible options to combat these developments, so that the investigative authorities can make an informed choice concerning their deployment and related resources);

3/
See Section 13 of the Money Laundering and Terrorism Financing (Prevention) Act (Wwft).

4/
Verwijzingsindex Recherche Onderzoeken en Subjecten (Index of Criminal Investigations and Subjects)

5/
The Netherlands Police Agency (KLPD) and other investigation partners can request (additional) information from FIU-the Netherlands within the context of current investigations by means of a request via the National Public Prosecutor, known as an 'LOvJ request'.

- risk profiles (on the basis of FIU analyses, a risk profile is drawn up and shared with supervisory authorities and reporting entities in order to tighten compliance regulations);
- typologies (a collection of characteristics of transactions which may indicate money laundering or financing of terrorism; this information is also shared with supervisory authorities and reporting entities, so that they can adjust their compliance standards);
- knowledge documentation (in-depth analytical investigation reports which can be shared with supervisory authorities, reporting entities and investigative authorities).

Since the Office for the Disclosure of Unusual Transactions (MOT) and the Office for the Operational Support of the National Public Prosecutor for MOT cases (BLOM) were merged into FIU-the Netherlands in 2006, FIU-the Netherlands has had a workforce numbering 57 FTEs. FIU-the Netherlands is financed entirely on the basis of an annual contribution from the Ministry of Security and Justice.

1.2 The place of FIU-the Netherlands within the police organization

In 2012, the final preparations were made for the entry into force of the new Police Act 2012 and the introduction of the National Police of the Netherlands, which became a fact on 1 January 2013. The final organization plan for the National Police, which describes the organizational structure of the police as of 2015, was determined by the Minister of Security and Justice in December 2012.

FIU-the Netherlands has used the introduction of the National Police of the Netherlands to simplify the governance structure of FIU-the Netherlands and to enhance its independence, in accordance with the recommendations in the FATF evaluation report from 2011[6]. In consultation with representatives of the Ministry of Security and Justice, the Ministry of Finance and the National Police, the new position of FIU-the Netherlands was drawn up in detail.

Although the FIU-the Netherlands used to operate as an semi-autonomous division of the IPOL Department, from 2013 onwards FIU-the Netherlands will function as a clearly defined, autonomous and independent entity, which primary processes will be supported and facilitated by the National Police organization. This means that the police enables FIU-the Netherlands to carry out its statutory tasks and that FIU-the Netherlands will use the police infrastructure as much as possible for that purpose. So, the police facilitates FIU-the Netherlands' secondary processes, but has no say over its primary processes.

Owing to this position, FIU-the Netherlands is able to establish links with divisions of the Central Unit of the National Police, for instance the Central Intelligence Division (DLIO) and the Information Hub of the Central Criminal Investigations Division (DIK LR). This will ensure the effective use of its information within the National Police and optimize the coordination with the investigating services.

At the end of 2012, preparations were made in collaboration with the Ministry of Security and Justice, the Ministry of Finance and the National Police organization to transpose these agreements into a new Establishment Decree of the FIU-the Netherlands, a new 'Mandate from the Minister to the Commissioner for the support of FIU-the Netherlands 2013' (*Mandaatregeling Beheer FIU-Nederland 2013*) and a 'Mandate and sub-mandate from the Commissioner to the head of FIU-the Netherlands for the support of FIU-the Netherlands' (*(Onder)Mandaatbesluit beheer van de FIU-Nederland 2013*). These documents will be finalized in 2013 and will become effective with retroactive force from 1 January 2013 on.

1.3 IT developments

The project InMotion 2.1 suffered a considerable delay in 2012 mainly due to a rearrangement of priorities in the Ministry of Security and Justice. Nevertheless, a few successes were achieved.

[6] FATF / OECD and IMF (25 February 2011), Mutual Evaluation Report: Anti-Money Laundering and Combating the Financing of Terrorism - The Netherlands, http://www.fatf-gafi.org/media/fatf/documents/reports/mer/MER%20Netherlands%20full.pdf

1.3.1 Further development of GoAML

Two new releases of the application GoAML were put into use in the spring and the autumn of 2012. These releases have new and better features which enable FIU-the Netherlands to better carry out its statutory tasks. A new contract was concluded – also in 2012 – with UNODC (the developer of GoAML) with the aim of developing extra functionalities, specifically for FIU-the Netherlands. These functionalities will be delivered in the spring of 2013.

An important milestone for GoAML in 2012 was the major improvement (release 3.4) implemented in the GoAML reporting portal for reporting entities. It is now possible to report unusual transactions online using the reporting form, and this has greatly improved user-friendliness.

1.3.2 Reporting and analysis tool

The required means and capacity for the implementation of the reporting and analysis tool (R&A) were not secured at VtsPN until 1 November 2012. Since that date, the implementation of the tool has required a great deal of preparatory work by FIU analysts. Actual implementation of the R&A-tool will be carried out in phases in the course of 2013.

Due to the delays in the implementation of the R&A tool, several objectives for 2012 could not be met, such as the creation of a format for regional transaction analyses and the implementation of 'red flags'[7]. The policy objectives concerned have been postponed to 2013.

1.3.3 'Red flags'

Partly as a response to the FATF evaluation report, preparations were made for the implementation of a new red flag system in 2012. 'Red flags' are circumstances which could be an indicator for money laundering, financing of terrorism or other crimes and they support the prioritization of transactions for further analysis and investigation. Due to the further development of GoAML and the delays in respect of the R&A tool, the automated use of red flags could not be started yet. This has been postponed to 2013.

1.3.4 New format for investigation files

In 2012, FIU-the Netherlands made important steps towards a new investigation file format, which is better attuned to the needs of the investigating services and which can also contain more information that may serve as a basis for the development of FIU-products, such as red flags and typologies.

1.4 Inventory of additional information systems

In 2012, an inventory was carried out of additional information sources that could enable FIU-the Netherlands to improve its analyses and investigation files. The inventory showed that there was a strong need to be able to search the trade register of the Chamber of Commerce on the names of natural persons. Since FIU-the Netherlands is not mentioned in the Trade Register Act, this is not possible at present. The question of how to start a process that may lead to legislative change will be examined in more detail in 2013.

1.5 Research into obtaining a better insight into the use of FIU information

In 2012, research was conducted into the various possibilities for obtaining more insight into the use of FIU information, in particular the use of suspicious transaction reports by investigative partners. Since the introduction of GoAML, transactions in the latter category are made available to the police through the BlueView application. It was a deliberate decision to communicate suspicious transactions

[7] A 'red flag' is in fact a conversion of a risk profile into an automated search query, making it possible to search the FIU database for high-risk and possible suspicious transactions.

information as widely as possible and to make it accessible for investigating partners. It is now possible to see which suspicious transactions have been queried by which regional police forces, and how often. FIU-the Netherlands can share this information with its partners, thus meeting the FATF recommendations for obtaining more insight into the use of FIU information. Although this information is very important, it reveals little about how FIU information is used. This will have to be discussed with the 'end users'.

As was indicated in Section 1.1, transactions are declared suspicious on the basis of five different methods: (1) the weekly matching with the VROS file, (2) matching with other data files, (3) screening on the basis of LOvJ requests, (4) information requests from foreign FIUs and (5) FIU-the Netherlands' own investigations. For most of the suspicious transactions, the user of the information is known, and the user should in theory know how the transaction information provided was used.

For a long time FIU-the Netherlands aimed to trace and measure the use of its information by chain-partners ,but this proved to be impracticable. However, the wish to obtain insight into the use and effectiveness of FIU information continues to exist. For 2013 the FIU-the Netherlands plans to conclude agreements with users of FIU information - in particular the investigating partners - so as to receive feedback concerning the receipt, handling and use of the FIU information provided.

2

2 Cooperation with reporting entities and supervisory authorities

The reporting entities identified in the Anti-Money Laundering and Counter-Terrorist Financing Act (Wwft) have a duty to report to FIU-the Netherlands any planned or actual unusual transaction which is or could possibly be connected with money laundering and/or financing of terrorism. For FIU-the Netherlands, good cooperation with the reporting entities is of major importance. Depending on the quality of the reports, FIU-the Netherlands will be able to conduct a quick and effective investigation into the possible involvement of any individuals in money laundering and financing of terrorism. Therefore, consultations are frequently held with representatives of the reporting entities and the supervisory authorities, with the aim to improve the quality of the reports and to inform the reporting entities of possible indicators of high-risk transactions. For this purpose, FIU-the Netherlands carried out several activities in the past year, ranging from information provision and publication to direct contacts with specific groups of reporting entities and supervisory authorities.

2.1 Reporting entities

2.1.1 Information and communication

Meetings

In 2012, the Account Managers of FIU-the Netherlands responsible for relations with the reporting entities and supervisory authorities held periodical consultations with the relevant supervisory authorities, individual reporting entities and the sector and trade associations. In addition, they frequently gave presentations at various meetings and seminars in order to increase awareness of the duty to report and to improve the quality of reports.

On 28 June 2012, FIU-the Netherlands organized a meeting with representatives of banks, the Netherlands Bankers' Association (NVB), the supervisory authorities, the Ministries of Security and Justice and of Finance, and employees of FIU-the Netherlands about the practical application of the 'all-crimes-approach'[8]/. This issue emerged during discussions related to the Mutual Evaluation Report of the Netherlands at the FATF plenary meeting in 2011. The aim of the meeting organized by FIU-the Netherlands was to obtain insight into the application of the 'all crimes approach' in practice and to take stock of the possibilities perceived by the parties involved. At the meeting it was concluded that the Dutch legislative framework allowed sufficient room for manoeuvre, but that a transition to practice would necessary to apply the 'all crimes approach' effectively.

In 2012, FIU-the Netherlands decided to conduct a small-scale study of the implementation of the all crimes approach. This internal study will be finalized in May 2013. In addition, a follow-up meeting with partners will be held later in 2013.

Further development of the website

The website of FIU-the Netherlands was restructured and further developed in 2012. The decision was taken to classify all relevant information according to groups of reporting entities, to make the information more easily accessible. A start was made with the weekly publication of examples of cases to satisfy the reporting entities' need for feedback. By using anonymous examples of cases, feedback can be provided before final judgment has been passed in a case. The reporting entities and partners of FIU-the Netherlands are informed by means of Twitter messages about new examples of cases and other news items on the FIU-the Netherlands website.

8/ In this approach to the duty to report, all transactions that are suspected to be connected to any crime, or to concern the proceeds from crime, must be reported.

Information sheets
Three different information sheets were published in 2012. A special information sheet was drawn up for the real estate sector, with a sector-specific explanation of the duty to report. The Netherlands Association of Real Estate Brokers and Immovable Property Experts, VBO Estate Agents, the VastgoedPro property professionals association, and the supervisory body for the Tax and Customs Administration, division Holland-Midden/Unit MOT (BHM), all contributed to this information sheet for the real estate sector. It was sent to all estate agents that are members of the sector organizations.

As the reports by dealers in high-value goods are unfortunately not always of sufficient quality, an information sheet was sent through the GoAML message facility to all Dutch dealers in high-value goods registered with FIU-the Netherlands. This information sheet explained the duty to report in detail and provides additional information on a number of specific requirements and issues in connection with reporting.

In addition, an information sheet was drawn up in 2012 about FIU-the Netherlands' authority to request additional information from reporting entities under Section 17 of the Anti-Money Laundering and Counter-Terrorist Financing Act. The reason for publishing this information sheet was the occasional confusion amongst reporting entities about how to deal with these 'Section 17' requests.

These and other sheets can of course also be found on our website:
http://www.fiu-nederland.nl/content/informatiebladen-0

2.1.2 Customs

In 2012, FIU-the Netherlands and Schiphol Passengers, the Customs branch that deals with passengers at Amsterdam Airport, made preparations to simplify the reporting procedures for declarations further to the regulations on the declaration of liquid assets reported by Customs to FIU-the Netherlands.

In addition, Schiphol Cargo, the Customs branch for cargo at this airport, conducted a pilot project in 2012, in which transport of money and other high-value goods was investigated for nine months. The outcome of the pilot project led Schiphol Cargo to start reporting unusual transactions in November 2012 on the basis of the right to report.

2.1.3 Working group on credit cards

In 2012, FIU-the Netherlands participated in the sub-working group on credit cards of the Committee on the Duty to Report (in Dutch: Commissie Meldplicht), which drew up a memorandum on credit card companies' duty to report planned or actual unusual transactions. This memorandum dealt with the risks concerning money laundering and financing of terrorism in credit card payments. This resulted in a list of risk profiles, which served to clarify the existing duty to report for credit card companies and to help this group of reporting entities to recognize unusual transactions. This memorandum was distributed among credit card companies and other parties.

2.2 Supervisory authorities

Regular consultations are held between FIU-the Netherlands and the four supervisory authorities: the Tax and Customs Administration Holland-Midden/Unit MOT (BHM), the Dutch Central Bank (DNB), the Netherlands Authority for the Financial Markets (AFM) and the Financial Supervision Office (BFT):

- The periodical consultation with the BHM has been intensified and has been given more structure. FIU-the Netherlands and the BHM have also discussed possible changes to the Anti-Money Laundering and Counter-Terrorist Financing Act concerning the extension of the right or duty to report in respect of certain actual or potential groups of reporting entities with the Ministry of Finance.

- In the autumn of 2012, the decision was taken to change the way in which the regular consultations with DNB are organized, in order to better meet DNB's needs. Consultations are now held for each specific group of reporting entities supervised by DNB. Furthermore, contacts are organized with the corresponding contact persons in relation to current events or relevant themes.
- FIU-the Netherlands has regenerated the periodical consultations with the AFM about the group of reporting entities the AFM supervises (investment institutions, investment companies and insurance brokers). These consultations will be given a structural form in 2013.
- The periodical consultations and the cooperation with the BFT were continued in 2012; they concern, among other things, the reporting behaviour of the groups of reporting entities which the BFT supervises.

The General Supervisory authorities Consultations under the chairmanship of the BFT were held five times in 2012. In addition to the supervisory authorities and FIU-the Netherlands, the Ministry of Finance also participated during the last year. Issues discussed in 2012 included the changes to the Anti-Money Laundering and Counter-Terrorist Financing Act, the use made of the GoAML as a reporting portal, the actions taken by the Public Prosecution Service against the failure to report (see Section 3.4.1) and mutual cooperation.

3

3 Cooperation with investigative authorities

Providing the investigative authorities with intelligence is one of the core tasks of FIU-the Netherlands. Therefore, cooperating closely with investigative partners and intelligence services both at home and abroad is crucial for the effective functioning of FIU-the Netherlands. The FIU-the Netherlands' Account Managers responsible for relations with the the investigative authorities maintain relations with the various domestic and foreign investigative authorities in order to optimize their use of FIU-the Netherlands' transaction information. In addition to sharing intelligence, FIU-the Netherlands also actively contributes to investigations and projects of several investigating and public order and security partners.

3.1 Information day for investigating services

On 5 June 2012, FIU-the Netherlands organized an information day for investigative authorities. The main objective of the event was to bring the possible usage of FIU information to the attention of investigating partners. This concerned both suspicious transactions and the analyses carried out by FIU-the Netherlands.

3.2 Contribution to the 2012 National Threat Assessment

The specialist expertise team of the Central Criminal Investigations Division and FIU-the Netherlands drew up the National Crime Pattern Analysis (CPA) of Money Laundering 2012. This serves as a basis for the chapter on money laundering in the 2012 National Threat Assessment, covering the previous four-year period. In addition to analyzing and describing the developments and trends identified in general, FIU-the Netherlands also provided key numbers of unusual and suspicious transactions in the period studied.

Although it is difficult to recognize new trends, the CPA highlighted the methods 'Trade Based Money Laundering'[9], improper use of foundations and administrative offices, and in particular the use of new payment methods as significant developments which required further investigation and monitoring. FIU-the Netherlands will monitor this more closely in the future and inform the reporting entities about its findings, so that they will be better able to recognize the risks posed by these money-laundering schemes and methods.

The CPA also recommended that the investigative authorities include a financial component as early as possible in regular criminal investigations (even in the pre-decisional phase), focus more specifically on the key actors who facilitate or support the money laundering activities, such as financial facilitators, and carry out the fight against and the investigation of certain money laundering methods in cooperation with the other network and chain partners.

3.3 Investigations at the initiative of FIU-the Netherlands

In 2012, FIU-the Netherlands, on the basis of its own investigations, contributed to criminal investigations into contract killings, fraud, internationally operating drug-cartels, human traffickers and fugitive criminals. Insight into connections and financial transactions was provided on the basis of fund flow analyses.

Transaction analyses provided insight into specific money flows to 'source countries' of human trafficking and drugs couriers, and a number of these analyses could be added directly to criminal investigation files. In addition, carrousel fraud cases could be identified and passed on to the Fiscal Intelligence and Investigation Service (FIOD) for criminal investigations. In response to indications of sports-related crime the FIOD was provided with an analysis. Furthermore, certain typologies were

9/ Turning money into legal items and subsequently trading these in the international market, so that legal profits can be accounted for on the basis of business operations.

distilled on the basis of a report of the Central Criminal Investigations Division about activities of the Italian Mafia in the Netherlands. These typologies made it possible to detect networks and underlying connections between transactions and persons that could be linked to members and organizations with contacts within the Italian Mafia. The FIU information was incorporated into criminal investigations and resulted in new perspectives. The FIU typologies will be used to draw up new guidelines for the reporting entities.

Analyses that focused on transactions that could be linked with payments of 'individual care benefits', resulted in several criminal investigations. One analysis even identified a fraud with these benefits totalling more than one million Euros; it was forwarded to the investigative authorities and resulted in the arrest of the suspect.

3.4 Contributions to investigations and projects

3.4.1 Project on entities failing to report

The project on entities failing to report is a joint project of the FIOD, the Central Criminal Investigations Division, FIU-the Netherlands, the BFT, and the BHM under the direction of the National Public Prosecutor's Office. The aim is to improve compliance with the Anti-Money Laundering and Counter-Terrorist Financing Act. During two action days in 2012, a number of reporting entities were investigated because they were suspected of failing to report unusual transactions, or to do so in a correct and timely manner. Based on the transactions reported by FIU-the Netherlands, these reporting entities were suspected of facilitating money laundering. The first action day, 4 July 2012, resulted in five criminal investigations[10/]. The second action day, 21 November 2012, produced eight criminal investigations. Further investigations showed that in two of these cases no criminal offences had been committed[11/].

3.4.2 Project The Wall

In the project The Wall, several government bodies (including the Inspectorate for Social Affairs and Employment, the Tax and Customs Administration, the Central Criminal Investigations Division, the Immigration and Naturalization Service (IND), the Royal Marechaussee and FIU-the Netherlands) joined forces, under the direction of the National Public Prosecutor's Office, to investigate signs of Chinese human trafficking and human smuggling. The reason for this project was the increasing problem of Chinese victims of human trafficking, Chinese illegal aliens, and related crime and abuses in the Netherlands.

As a participant of the project team, FIU-the Netherlands contributed its expertise in this subject. Through operational, tactical and strategic analyses, matches on subjects and replying to LOvJ requests, FIU-the Netherlands, using subject and transaction oriented analyses, contributed to an enhanced insight into the organized criminal groups investigated.

An important result of the project was a large-scale operation on 31 October 2012, in which various Chinese massage parlours in Amsterdam, Rotterdam and The Hague were checked for illegal employment, illegal prostitution, and compliance with the Aliens Act and tax regulations. The locations where the actions were carried out had been selected partly on the basis of FIU information. The media paid a great deal of attention to these actions.

3.4.3 Human trafficking investigations

FIU-the Netherlands provided support to several investigations into human trafficking and money laundering, focusing on a prostitution area in The Hague.

10/
See the following press release: http://www.fiu-nederland.nl/content/zes-strafrechtelijke-onderzoeken-naar-niet-melden-ongebruikelijke-transacties

11/
See the following press release: http://www.fiu-nederland.nl/content/acht-strafrechtelijke-onderzoeken-naar-niet-melden-ongebruikelijke-transacties

A large quantity of transactions, chiefly money transfers, revealed a flow of money towards Hungary. Thanks to effective cooperation with a number of reporting entities, this information could be upgraded and made available to the investigating team. Partly on the basis of the transaction information, it proved possible to obtain insight into networks and contribute to the collection of evidence. Due to the money flow towards Hungary and the many subjects involved with Hungarian nationality, information was exchanged with the Hungarian FIU.

A more detailed analysis of the subjects in the Netherlands, the amounts, the transaction locations, etc., was shared on an anonymous basis with the reporting entities by means of a confidential analysis report concerning Hungarian money flows. A number of money transfer companies stated that they have integrated this knowledge into their compliance programme, and a number of them reported extra transactions in response to the analysis provided.

3.5 Sharing intelligence

3.5.1 FIOD

The Fiscal Intelligence and Investigations Service (FIOD), is responsible, inter alia, for the investigation of money laundering and fiscal and financial-economic crime, and it is one of the major receivers of FIU information (suspicious transactions and investigation files). FIU-the Netherlands dealt with 285 LOvJ requests from the FIOD in 2012. Fifty of these requests concerned money smugglers entering the EU.

Fifty-one files were made available for the purpose of criminal investigations into fraud in relation with childcare allowance, insolvency fraud and VAT carrousels. One of the files was very extensive and it provided insight into a network of several insolvency fraud cases. In addition to reports of suspicious transactions in response to these requests, a number of transactions were declared suspicious on the basis of the VROS matches.

Seven files on the basis of suspicious transactions that specifically indicated money laundering, and six files in which suspicious transaction information fulfilled a supporting or guiding role by providing material substantiating evidence, were made available to the 'Signal and Select' consultations. These consultations of the National Public Prosecutor's Office and the National Public Prosecutor's Office for Financial, Economic and Environmental Offences, the FIOD, and the Netherlands Police Agency determine which criminal investigations will be conducted by the combined teams of the National Crime Squad and FIOD and the dedicated money laundering teams of these services. Certain investigations can receive priority on the basis of FIU information.

In addition, a number of criminal investigations which were partly based on suspicious transactions, were finalized and, in some cases, resulted in lengthy prison sentences and substantial confiscation orders.

In order to obtain a better insight into the use made of FIU information by the FIOD, FIU-the Netherlands aims to make feedback agreements with the FIOD in 2013, so that it will become clearer which operational results were achieved on the basis of the suspicious transactions information provided by the FIU-the Netherlands.

3.5.2 Fiet FinEc

The intensive cooperation with the Netherlands Police Agency's FIET FinEc (Flexible Intelligence and Expertise Team, Financial and Economic Crime Programme) was continued in 2012. FIU-the Netherlands participated in consultations both periodically and in response to specific incidents, to ensure that the provision of FIU information meets the needs of the FIET FinEc's. In addition, FIU-the Netherlands supplied official reports of transaction information at the request of FIET FinEc.

The FIET FinEc provides pre-decision documents and project proposals for divisions of the Netherlands Police Agency and also for the 'combined teams' of the Central Criminal Investigations Division and the FIOD. FIU-the Netherlands contributed to the preparation of these pre-decision documents and project proposals. As a standard procedure all FIET FinEc investigation files were checked against FIU-the Netherlands' database.

In 2012, 22 files, including a total of 1446 suspicious transactions, were passed on to FIET FinEc. At their request, reports were drawn up for six investigations. Eight clusters of transactions were provided in an information report for the purpose of pre-decision documents and/or project proposals. A number of pre-decision documents resulted into criminal investigations. As these investigations are still ongoing, no information can be given as this may jeopardize the investigation results. In addition, four operational analyses of offender groups related to a specific country in the Caribbean were made available. A few other files in which information from FIU-the Netherlands was included, resulted in the arrest of twelve suspects and the seizure of five million Euros. These files concern large-scale drug smuggling, money laundering and homicide.

3.5.3 iCOV

In 2012, cooperation agreements were drawn up concerning the matching of the database of the Infobox Criminal and Inexplicable Assets (iCOV)[12] with suspicious transactions files of FIU-the Netherlands. In addition, FIU-the Netherlands participated in the iCOV monitoring committee and made a structural contribution to the working group on the legal framework. The cooperation agreement for iCOV should be finalized in 2013, after which the actual cooperation can be started.

3.5.4 Participation in the fraud trend watching project

In 2012, FIU-the Netherlands participated in a fraud trend-watching project initiated by the FIOD. Various investigating authorities, supervisory authorities and financial institutions were involved in the project, and they kept each other informed about fraud and money laundering indications in their sphere of action.

3.5.5 Matching with police data from the preliminary phase of investigations

In 2012, several project preparation departments of regional police forces included requesting FIU information in their standard procedures.

In 2012, a pilot project was carried out together with the Netherlands Police Agency's National Crime Squad, in which preliminary investigation data were matched with the FIU-the Netherlands database in the preliminary phase of criminal investigations. In addition, several other matches were carried out, resulting in many hits, for instance on the basis of CJIB and BOOM subject lists, and the investigation data from the project on black markets and the project 'The Wall'. The approach used to identify transactions as suspicious is a precise and labour intensive process because all hits must be verified before they can be officially declared suspicious. For reasons of capacity, this approach requires priorities to be set, as not all hits resulting from the matching exercise can be further investigated.

3.5.6 Automatic matching of subject lists

In 2012, the possibilities for matching large files (such as the MRO and CIU subject indices of the VROS database) automatically with the FIU-the Netherlands database were extended, and used several times, for instance in the project The Wall (see Section 3.4.2). The transactions were investigated and declared

[12] Previously also called: *Crimineel Vermogen Infobox* (CV-Infobox).

suspicious by the head of FIU-the Netherlands, following which the data were made available to the investigating services. The advantage of this automated form of matching is that it immediately provides insight into a complete list of potentially suspicious transactions. However, again due to lack of capacity, not all matched transactions (hits) could be further investigated.

4

4 Financing of terrorism and proliferation

Investigations into financing of terrorism requires specific knowledge, especially on the part of the network partners who play a role in the fight against terrorism. FIU-the Netherlands has a dedicated Counterterrorism and Proliferation Financing team (CT&PF), which investigates money flows that could be related to terrorism and proliferation activities.

4.1 Financing of terrorism

The CT&PF team of FIU-the Netherlands gave a great number of national and international presentations in 2012. On an international level, these presentations were given at meetings of the Egmont Group related to financing of terrorism, the annual Europol theme meeting on terrorism, and other events. Within the Netherlands, presentations were given to the Netherlands Bankers' Association (NVB) and the collective meetings of credit card companies.

In addition, the team – together with partners in the justice and security chain – was directly involved in several national and international counterterrorism investigations and carried out analyses of ongoing and concluded investigations. In 2012, this resulted in the release of 37 alert documents for investigation and intelligence services and the development of a new risk profile for money flows which could be connected with terrorism. This risk profile was shared with various groups of reporting entities.

FIU-the Netherlands used a strategic study in 2012 to try to obtain more insight into money flows that can be linked to unstable regions or conflict areas, such as the border region between Afghanistan and Pakistan. This study resulted in a confidential report, on the basis of which risk profiles were communicated to reporting entities. The risk profiles were incorporated into the reporting entities' compliance programmes in 2012. The first reports of unusual transactions on the basis of these risk profiles are expected in 2013.

Furthermore, the team participated actively in various national and international collaborative efforts and committees in 2012. At a national level, these were the Counterterrorism database (CT-infobox) and the Financial Expertise Centre (FEC). At an international level, the team participated in projects of the FATF Working Group on Typologies (WGTYP) and the Operational Working Group (OpWG) of the Egmont Group. Within the Operational working group (OpWG), FIU-the Netherlands, together with FINTRAC (Canada), had an important role in the project group on terrorism financing. FIU-the Netherlands also fulfilled an expert and advisory role in the field of financing of terrorism for the National Coordinator of Counterterrorism and Security (NCTV), by participating in, among other things, the meetings organized by the NCTV and by giving independent advice in the field of financing of terrorism (for instance, for the purpose of the National Threat Assessment).

4.1.1 Financing of terrorism platform with the Netherlands Bankers' Association

A financing of terrorism platform was set up together with the Netherlands Bankers' Association (NVB) in 2012. The aim of the platform is to inform financial institutions about trends and developments related to financing of terrorism. In addition, the platform provides financial institutions with feedback concerning the follow-up of their unusual transaction reports related to financing of terrorism. The financial institutions, in their turn, are able to bring relevant phenomena to the attention of the FIU-the Netherlands. It is expected that this improved sharing of information will enable financial institutions and FIU-the Netherlands to recognize terrorism-related money flows more quickly.

4.2 Proliferation financing

Within the framework of the EU Regulation concerning the restricting measures against Iran, FIU-the Netherlands is designated as the national centre for receiving and analyzing transaction reports regarding potential breaches of this Regulation [13/]. The regulation concerns transactions that are connected with the trade in substances and equipment suitable or intended for the production of nuclear arms.

In 2012, no specific reports were received by FIU-the Netherlands related to proliferation financing. In 2012, the CT&PF team analysed investigation files that were indicated to have possible risks to be related to proliferation activities. These files were brought to the attention of the Counter proliferation Unit of the General Intelligence and Security Service (AIVD).

13/
See: EU Regulation No. 267/2012, Article 32, 23 March 2012

5

5 The Caribbean Netherlands

FIU-the Netherlands is represented by an administrative liaison in the Caribbean Netherlands (CN). In 2012, the liaison, supported by FIU colleagues in the Netherlands, advised CN reporting entities, during the introduction of the current GoAML webform, and invested further in cooperation with the chain partners in the Caribbean Netherlands.

5.1 GoAML

Since October of 2010 [14/], the reporting entities in the Caribbean Netherlands had been using the Reporting Form Application (MFA) to report through GoAML. The CN reporting entities switched to reporting via the current GoAML Webform simultaneously with other reporting entities in September 2012.

5.2 Information days 'Wwft BES'

Organizing information days for the reporting entities greatly improves the relationship with these institutions and organizations on the islands, and it resulted in a number of highly useful unusual transaction reports in 2012. Although attendance of the traditional reporting entities during the information days is usually considerable, attendance of representatives of the independent professions, such as estate agents and lawyers has been limited so far. These reporting entities will receive more attention in 2013.

In view of the coming into force of the Anti-Money Laundering and Counter-Terrorist Financing Act for the BES islands (Wwft BES), information days were organized in Bonaire for lawyers, estate agents, and accountant and administration offices. These information days were also attended by FIU colleagues from the Netherlands, including the head of FIU-the Netherlands. The Wwft BES presentations for reporting entities on Saba and Sint Eustatius will be held in 2013.

5.3 Bankers' meeting

In 2011, an introductory meeting with the bankers' association in Bonaire was organized by the administrative liaison. This was followed up by a second meeting in 2012. The aim is to intensify these consultations in 2013.

5.4 Training

Reporting entities feel a great need for knowledge in order to be able to comply with the relevant legal requirements in the best possible manner. In 2012, a training course was organized on recognizing document fraud, for instance with passports and other identification documents.

5.5 Reports

In 2012, FIU-the Netherlands received 1,325 reports from the Caribbean Netherlands, a substantial increase compared to 2011. Another noteworthy aspect is that the quality of reports has significantly improved in recent years. The unusual transactions totalled more than 225 million Euros. Both the number of reports and the total amount involved increased considerably; in 2011, about 650 reports were received, representing a value of about 56 million Euros. The increase in 2012 can probably partly be attributed to the presence of the administrative liaison in the Caribbean Netherlands, the information days and the improvements in the reporting system.

14/
10 October 2010 was the date of the constitutional change, making it obligatory for the relevant institutions in the Caribbean Netherlands to report to FIU-the Netherlands.

The highest number of unusual transactions (97%) were reported by banks. In addition, reports were received from money transfer companies, dealers, and independent professionals. Nine files were compiled in 2012, totalling 133 suspicious transactions. Most transaction reports were forwarded on the basis of FIU-the Netherlands' own investigations.

5.6 Chain partners and investment in integrated cooperation

The administrative liaison invested in the strengthening of cooperation between the MOT offices for the disclosure of unusual transactions in Aruba, Sint Maarten and Curaçao and FIU-the Netherlands. There were also intensive contacts with other chain partners in the Caribbean Netherlands, such as supervisory authorities, the Public Prosecution Service, the Royal Marechaussee (KMar), and the Customs Authorities.

5.6.1 Supervisory authorities for the Caribbean Netherlands

During 2012, contact consultations concerning CN matters were held with the supervisory authorities DNB, BHM (both regular consultations) and with AFM (on an informational basis).

5.6.2 Public Prosecution Service

The Procurator-General of the public prosecutor's offices in Curaçao, Sint Maarten and the Caribbean Netherlands has taken an important step by giving his permission for the matching of police data of the Caribbean Netherlands Police Force (KPCN) with the FIU-the Netherlands database. This will be followed up in 2013.

5.6.3 Royal Marechaussee

The Royal Marechaussee fulfilled its role in the chain very effectively and proved to be an important partner for FIU-the Netherlands in the CN. The KMar enhanced reporting entities' awareness of the authenticity of documents and contributed to the Serious Crime Register which the KPCN shares with FIU-the Netherlands in 2012. In 2013, cooperation will be continued in respect of the provision of information by the KMar for matching with the FIU-the Netherlands' database.

5.6.4 The Caribbean Netherlands Customs

There were frequent contacts with the Caribbean Netherlands Customs Authority in 2012. The Customs Authority is responsible for the enforcement of a part of the Wwft BES, namely cross-border money transports.

6

6 International cooperation

Money-laundering and financing of terrorism tend to be international in nature, which makes international cooperation very important for FIU-the Netherlands. In 2012, FIU-the Netherlands continued to cooperate and exchange information with FIUs around the world. With regards to policy development, FIU-the Netherlands invested in further strengthening international cooperation in 2012, for instance by participating in various international committees.

6.1 EU cooperation

6.1.1 FIU.net

In 2012, the development of FIU.NET received a fresh boost with the creation of what is known as 'Ma³tch technology'. Ma³tch stands for "autonomous anonymous analysis", and it simplifies the sharing of information between the 26 affiliated EU FIUs. This creates the possibility to match FIU databases within Europe on an anonymous basis and by using encryption, so that European FIUs can detect hits that would possibly have remained unnoticed without this technology. FIU-the Netherlands took the first steps to actually use this feature at the end of 2012. FIU employees were trained, so that they will be able to start using Ma³tch in 2013.

6.1.2 EU FIU Platform

FIU-the Netherlands participates actively in the EU FIU Platform, the informal consultative body of FIUs in the European Union. In 2012, this platform was involved in drawing up joint recommendations to the European Commission in relation to the fourth European Directive on money laundering which is currently being drafted; the first draft of the Directive is to be presented in 2013.

6.2 Egmont Group

In 2012, the Egmont Group consisted of 131 members (FIUs). FIU-the Netherlands participates actively in the Egmont Group and has representatives in three of its working groups.

The new FATF recommendations refer to the necessity of membership of the Egmont Group. The Egmont Group aims at guaranteeing minimum requirements that the members have to meet in order to enable reliable international information exchange.

6.3 FATF

FIU-the Netherlands is represented in the Dutch delegation of the FATF, which meets three times a year. There are four FATF working groups. FIU-the Netherlands participates actively in the working group on typologies (WGTYP), both by participating in projects and by providing relevant information.

6.3.1 FATF project on Legal Professions

In June 2012, the FATF working group Typologies started a project to give the legal professions, especially lawyers and civil-law notaries, a better insight into the risks of being used for money laundering. The National Public Prosecutor for money laundering is co-chair of this working group, and FIU-the Netherlands contributed analyses and gave a presentation during the meeting of the working group in Paris. An expert meeting about this theme was held in Dakar in late November, where FIU-the Netherlands gave a presentation as well. The report related to this project will be finalized in June 2013.

6.3.2 FATF project on Diamonds and precious stones

In 2012, FIU-the Netherlands performed a strategic analysis of unusual and suspicious money flows in connection with the diamond trade. The analysis was performed as part of a joint project of the FATF and the Operational Working Group (OpWG) of the Egmont Group. The aim of the project was to identify characteristics of money laundering through diamond trading and thus to provide more insight into the vulnerabilities of the sector.

The findings of FIU-the Netherlands consisted of 13 different indicators, for example the specification of an incorrect country of origin of diamonds, the falsification of official documents, and the specification of a low monetary value of the cargo.

6.4 Cooperation with other international partners

6.4.1 Cooperation project with FIU-Denmark

Even before 2012, FIU-Denmark had expressed the wish to cooperate more intensively with FIU-the Netherlands. Three basic principles were formulated: (1) to obtain a better insight into each other's approach and possibilities in respect of information exchange; (2) to achieve a structural exchange of transaction information; and (3) to enhance each other's access to information by sharing intelligence. The ultimate objective is to provide the investigative authorities in both countries with financial intelligence and to stimulate the services in making use of the intelligence.

This closer cooperation was initiated in 2012. As a result, FIU-the Netherlands received four requests from FIU-Denmark, and sent ten requests to FIU-Denmark in 2012. In a first feedback session, FIU-Denmark informed their Dutch counterparts that certain transaction information could be used in criminal investigations.

6.4.2 Cooperation with FIU-Sweden in ARGUS project

The ARGUS project with FIU-Sweden was continued and resulted in a relatively high percentage of information exchange and in several arrests of drug traffickers in Scandinavia.

6.4.3 Recovery of criminal assets abroad

In line with the broader project of the Public Prosecution Service on the confiscation of criminal assets, FIU-the Netherlands, in cooperation with the Foreign unit of the Netherlands Police Agency, organized the project Recovery of Criminal Assets Abroad in the last quarter of 2012. The prime objective was to identify assets which probably originated from crime in the Netherlands and which were invested in the country of the foreign FIU's which participated in the project. Countries approached included Colombia, the United Arab Emirates, Turkey and Thailand.

This project resulted in, among other things, joint investigations with FIU-Colombia; several promising files were identified in 2012. It is expected that continuation of intensive cooperation will possibly enable actual confiscation at a later stage. The aim is to enable the Colombian authorities to recover the criminal assets on the basis of Colombian law. As money laundering is a global phenomenon, an international approach is necessary. If it proves possible, through this project, to discourage criminals in Colombia from continuing their practices, this may lead to a decrease in drug transports to the Netherlands and related problems.

6.5 Operational intelligence exchange at the international level

In the context of the transition to GoAML, the decision was taken to include the registration of incoming requests from, and outgoing requests to foreign FIUs in this system. Previously, two separate registrations were kept for the exchange through Egmont Secure Web (ESW) and FIU.NET, but since 2012, everything has been registered in GoAML. As a result, there is no longer a distinction between information requests through ESW and FIU.NET.

Table 1 Top 5 of outgoing requests to foreign FIUs

Information request from FIU-the Netherlands to foreign FIUs	number of requests
Sweden	40 [15]/
Germany	27
Belgium	25
United Kingdom	18
Spain	17

The total number of outgoing information requests from FIU-the Netherlands to foreign FIUs in 2012 was 270. [16]/

Table 2 Top 5 of incoming requests from foreign FIUs

Information request from foreign FIUs to FIU-the Netherlands	number of requests
Belgium	303 [17]/
Slovakia	95
Luxembourg	53
United Kingdom	51
Germany	16

The total number of incoming information requests to FIU-the Netherlands from foreign FIUs in 2012 was 747. [18]/

15/
Due to the intensive and constructive cooperation between FIU-the Netherlands and the Swedish FIU, the number of information requests from FIU-the Netherlands to Sweden is higher.

16/
Due to the intro of GoAML in May 2011, it is not possible to compare these statistics to those of 2011. This will be possible as from next year.

17/
The number of information requests from the Belgian FIU (CTIF-CFI) is so much higher than that from other countries because it is Belgian policy for all transactions/files with an international aspect to be checked with the countries involved. This approach would be too labour-intensive for FIU-the Netherlands.

18/
Due to the introduction of GoAML in May 2011, it is not possible to compare these statistics to those of 2011. This will be possible as from next year.

7

7 FIU-the Netherlands in key figures

In this chapter, FIU-the Netherlands presents the key figures for the past year. As in the previous years, a distinction is made between the unusual transactions that FIU-the Netherlands receives from the reporting entities and the suspicious transactions that it discloses to the investigative authorities after analysis.

In 2012, FIU-the Netherlands made further investments in improving the quality of the unusual transactions by implementing 'business rules', which will be implemented for all reporting entities in 2013. This means that if certain fields of a report have not been completed or not been completed correctly, the reporting institution is notified of this and requested to supply the correct information. A report is only accepted if all fields have been completed correctly. In this way, FIU-the Netherlands improves the quality of its input and consequently of its output. This will also contribute to more efficient charting of developments and trends and hence to the quality of information provision to both the reporting entities and the investigative authorities.

The number of reports increased in 2012. In respect of quantity, the input of FIU-the Netherlands is largely determined by reports of money transfers. Therefore, a rise or fall in the number of reports is usually connected with developments in the money transfer sector. The year 2012 was no exception; the increase of the number of reports in 2012 was largely related to the money transfer sector and had to do with a tightening of the internal reporting policy of certain money transfer companies. The tightening revealed certain unusual money flows which had not been noticed before, for instance in the Rotterdam-Rijnmond region, but also in the Haaglanden region. FIU-the Netherlands charted these money flows and conducted financial investigations into the subjects concerned. It shared the results as much as possible with the reporting entities and – in the case of suspicious transactions – with the investigative authorities.

Reader's guide to the key figures

- Unusual transactions are retrieved by registration date, i.e. the date on which FIU-the Netherlands recorded the transaction as unusual in its database.
- Suspicious transactions are retrieved by forwarding date, i.e. the date on which FIU-the Netherlands, after investigation, forwarded the transactions as suspicious. Because suspicious transactions are retrieved on the basis of another type of date than the unusual transactions, dividing the number of forwarded suspicious transactions in 2012 by the number of recorded unusual transactions in 2012 does *not* yield a *forwarding percentage*, because the suspicious transactions may have been registered in one year and forwarded in another year.
- Due to its limited capacity, FIU-the Netherlands cannot investigate all transactions closely, although every report that is recorded by FIU-the Netherlands, is subjected to automatic file comparison ('matching') with the VROS register. So, in principle, some form of investigation is always conducted. However, it sometimes happens that FIU-the Netherlands, due to its limited capacity, is unable to further investigate a subject that produced a 'hit'.
- On 1 July 2012, the Money Services Businesses Act (*Wet inzake de geldtransactiekantoren*: Wgt) was repealed. The standards in respect of the activities regulated by the Wgt, the exchange transactions, were transferred on the same date to the Financial Supervision Act (*Wet op het financieel toezicht*: Wft). This also meant that the term 'money service business' or 'money transaction office' (*geldtransactiekantoor*) was dropped in the Wft. Parties that conduct exchange transactions are called currency exchange offices (*wisselinstellingen*). Therefore, this chapter uses the term 'currency exchange office' where in previous years 'money service business' was used[19].
- The subjective duty to report money transfers applies to both the providers of currency exchange offices and their agents, so that it is possible for a single transaction to be reported to FIU-the Netherlands twice. The GoAML system has an automatic unification module that detects these duplicate reports. In spite of that, duplicate transactions occur in the database, but these are limited in number.

[19] Source: http://www.toezicht.dnb.nl

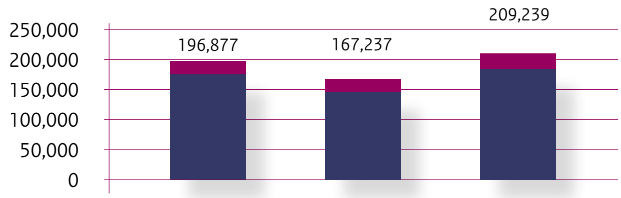
- Due to rounding differences, percentages may not always add up to 100%.
- Foreign currency amounts have been converted to euros on the basis of exchange rates specified by the reporting entities.
- In the calculation of amounts, reports of *planned* transactions are disregarded.
- Unless otherwise indicated, all numbers in the key figures are presented exactly. Amounts are rounded off.

7.1 Total key figures

This section sketches the outlines of the development of unusual and suspicious transactions in the Netherlands. It describes the development of the numbers of unusual and suspicious transactions on the basis of the sectors in which they occur. The regions in which the transactions are conducted are also studied in more detail. Striking developments are singled out. A more detailed description of the development in each sector is included in the sections 7.3 and 7.4.

7.1.1 Unusual transactions

Diagram 1: Unusual transactions in 2010-2012



	2010	2011	2012
non-money transfers	22,459	21,572	25,423
money transfers	174,418	145,665	183,816

The total number of reports registered in 2012 reached well over 200,000. This increase compared to previous years was connected with a sharp rise in the number of subjective reports. The number of objective reports in 2012 (66,712) was more or less equal to the number for 2011 (66,770). The increase in the number of subjective reports was connected with developments in the money transfer sector. For instance, there was a tightening of reporting policy at the recommendation of the supervisory authority. This resulted in more money transfer reports in 2012. Please see Section 7.3 for more detailed information on this topic.

The number of reports of non-money transfers increased in 2012. Table 3 shows which sectors contributed to this rise; there was an increase in particular in the number of reports made by the government, currency exchange offices, and dealers. Government reports increased due to an increase in the number of passengers that declared the import, export and transit of cash to the value of 10,000 Euros or more. The increase of reports submitted by currency exchange offices mostly related to prepaid cards and the increase in respect of dealers involved transactions of car dealers and precious metal dealers. There were also sectors where the number of unusual transactions fell, sometimes sharply. For instance, in the casino sector the number of reports decreased by 43%.

In 2012, FIU-the Netherlands received reports from two new groups of reporting entities, the payment service provider [20] and the administration office. FIU-the Netherlands received 1 and 70 reports respectively from these sectors in 2012. Administration offices come under the independent professions. All the above developments will be discussed in more detail below.

[20]/ Although 'payment service provider' is a collective term within the meaning of the Payment Service Directive (PSD) and the Financial Supervision Act (Wft), in this chapter FIU-the Netherlands is referring specifically to online payment service providers with their escrow-accounts.

The number of unusual transactions reported annually depends on several factors. It is not merely determined by what actually happens in the market, but also by the knowledge level, the capacity, and the willingness of institutions to report. In addition, the activities of the supervisory authority influence the number of reports received by FIU-the Netherlands. For instance, if such a body instructs reporting entities that they should improve the quality or quantity of their analyses. This sometimes makes it difficult for FIU-the Netherlands to interpret certain developments it observes. Has a particular money flow increased because more unusual transactions have actually been sent to a country, or has a reporting party carried out better analyses, revealing more things? By cooperating more frequently and more closely with the reporting entities and the supervisory authorities, FIU-the Netherlands tries to improve its ability to interpret money flows in the future. FIU-the Netherlands contributes to the knowledge level by providing feedback and carrying out analyses for the benefit of reporting institutions. For instance, FIU-the Netherlands carried out a strategic analysis of the risks of money flows between the Netherlands and Hungary in 2012. The outcome was shared with the reporting entities and with FIU Hungary (see Section 3.4.3).

Table 3: Unusual transactions by sector in 2010-2012

Non-money transfers

	2010		2011		2012	
Sector	**Number**	**Percentage of subtotal**	**Number**	**Percentage of subtotal**	**Number**	**Percentage of subtotal**
Government agencies	3,319	15%	4,287	20%	6,767	27%
Currency exchange offices	1,758	8%	2,915	13%	5,155	20%
Dealers	4,203	19%	3,890	18%	5,170	20%
Banks [21]	8,794	39%	6,469	30%	4,822	19%
Credit card companies	1,316	6%	1,444	7%	1,474	6%
Casinos	1,671	7%	1,734	8%	980	4%
Independent professions	1,348	6%	794	4%	977	4%
Other dealers	34	0%	67	0%	58	0%
Life insurance companies	2	0%	0	0%	13	0%
Finance companies	2	0%	8	0%	5	0%
Insurance brokers	1	0%	1	0%	1	0%
Securities brokers	11	0%	1	0%	0	0%
Investment institutions	0	0%	0	0%	0	0%
Payment service providers	0	0%	0	0%	1	0%
Non-money transfers subtotal	**22,459**	**100%**	**21,610**	**100%**	**25,423**	**100%**

Money transfers

	2010		2011		2012	
Sector	**Number**	**Percentage of subtotal**	**Number**	**Percentage of subtotal**	**Number**	**Percentage of subtotal**
Currency exchange office	162,521	93%	132,799	91%	172,305	94%
Bank	11,897	7%	12,830	9%	11,511	6%
Money transfers subtotal	**174,418**	**100%**	**145,629**	**100%**	**183,816**	**100%**
Grand total	**196,877**		**167,239**		**209,239**	

*Due to rounding differences, the total is not exactly 100%.

[21]/
For banks, it concerns partly composite reports instead of separate unusual transactions, see Section 7.3.2.1 for a detailed explanation.

The table below shows the number of institutions that made one or more reports to FIU-the Netherlands in the period 2010 – 2012. The total number of reporting entities rose slightly in 2012 (+4%). The increase in the number of reporting precious metal dealers is noteworthy. There are also sectors that did not make a single report, such as the arts sector. See Section 7.4.3.

Table 4: Number of reporting institutions obliged to report under the Wwft in 2010-2012

Sector and type of reporting party	**2010**	**2011**	**2012**
Traditional reporting parties	**61**	**60**	**68**
Bank	28	31	38
Casino	1	1	1
Credit card company	5	4	5
Currency exchange office	25	24	22
Life insurance company	2	0	2
Other traditional reporting parties	**4**	**4**	**2**
Insurance broker	1	1	1
Securities broker	1	1	0
Finance company	2	2	1
Payment service provider	**0**	**0**	**1**
Payment Service Provider	0	0	1
Dealers	**651**	**572**	**555**
Antiques	3	1	1
Precious metals	12	25	40
Art	3	1	0
Other dealers	14	11	22
Vessels	24	22	21
Vehicles	595	512	471
Independent professions	**327**	**239**	**284**
Accountant	121	87	83
Administration office	0	0	20
Lawyer	17	7	10
Corporate financial adviser	23	8	2
Tax consultant	38	23	17
Real estate agent	6	6	23
Civil-law notary	112	100	123
Independent legal adviser	3	0	0
Trust company	7	8	6
Grand total	**1,043**	**875**	**910**

7.1.2 Unusual transactions per police region

In order to give an impression of where in the Netherlands the unusual transactions occur, Figure 1 shows a quantitative picture of the unusual transactions broken down per police region. Transactions are linked to a police region based on the location where they were carried out.

The total number of transactions rose by 25% in 2012 compared to 2011. This rise can also be seen in the development of the number of transactions within a region. Most regions saw an increase in the number of transactions in 2012, but in three regions the number of unusual transactions fell. These were the regions Amsterdam-Amstelland (-1%), Hollands Midden (-16%) and Zeeland (-14%). By far the largest increase in 2012 took place in the Rotterdam-Rijnmond region. The number of reports in this region increased by over 24,000 in 2012. The sharp increases in the regions were related to an increase in the number of money transfer reports. The causes of this increase are discussed in the section on money transfers (7.3).

There were substantial increases in money flows to various countries. FIU-the Netherlands keeps in touch with the relevant institutions in order to be able to interpret these money flows in cooperation with these institutions. The number of reports in the Haaglanden region also rose sharply in 2012 (+29%). There was an increase particularly in the number of outgoing and incoming money transfers. The increase in outgoing money flows was sometimes substantial, the money flow to China doubled, for instance. Whereas in 2011 just over 900 transactions to China were reported, in 2012 over 1,900 were reported. Five institutions in particular reported these transactions and four of them showed an increase in the number of reports. The percentage of suspicious transactions in this money flow was small (<1%). The absence of reports forwarded on the basis of a VROS match and LOvJ requests may indicate the legal character of the transactions, but it might also mean that the investigative authorities lacked information. In the past, money flows to China were often thought to be connected with human trafficking and human smuggling, so this money flow is followed attentively by FIU-the Netherlands. In 2013, FIU-the Netherlands will refer this indication and other indications to the Central Intelligence Division of the National Police, in order to point out the money laundering risks that exist on a national scale.

The increases in the regions were not only due to money transfers. For instance, the number of reports in Kennemerland rose as a consequence of the increase in Customs reports and reports about the use of prepaid cards. The number of reports in Amsterdam-Amstelland also increased in part due to the reports related to prepaid cards and precious metals dealers.

Figure 1: Unusual transactions by police region in the registration years 2010-2012

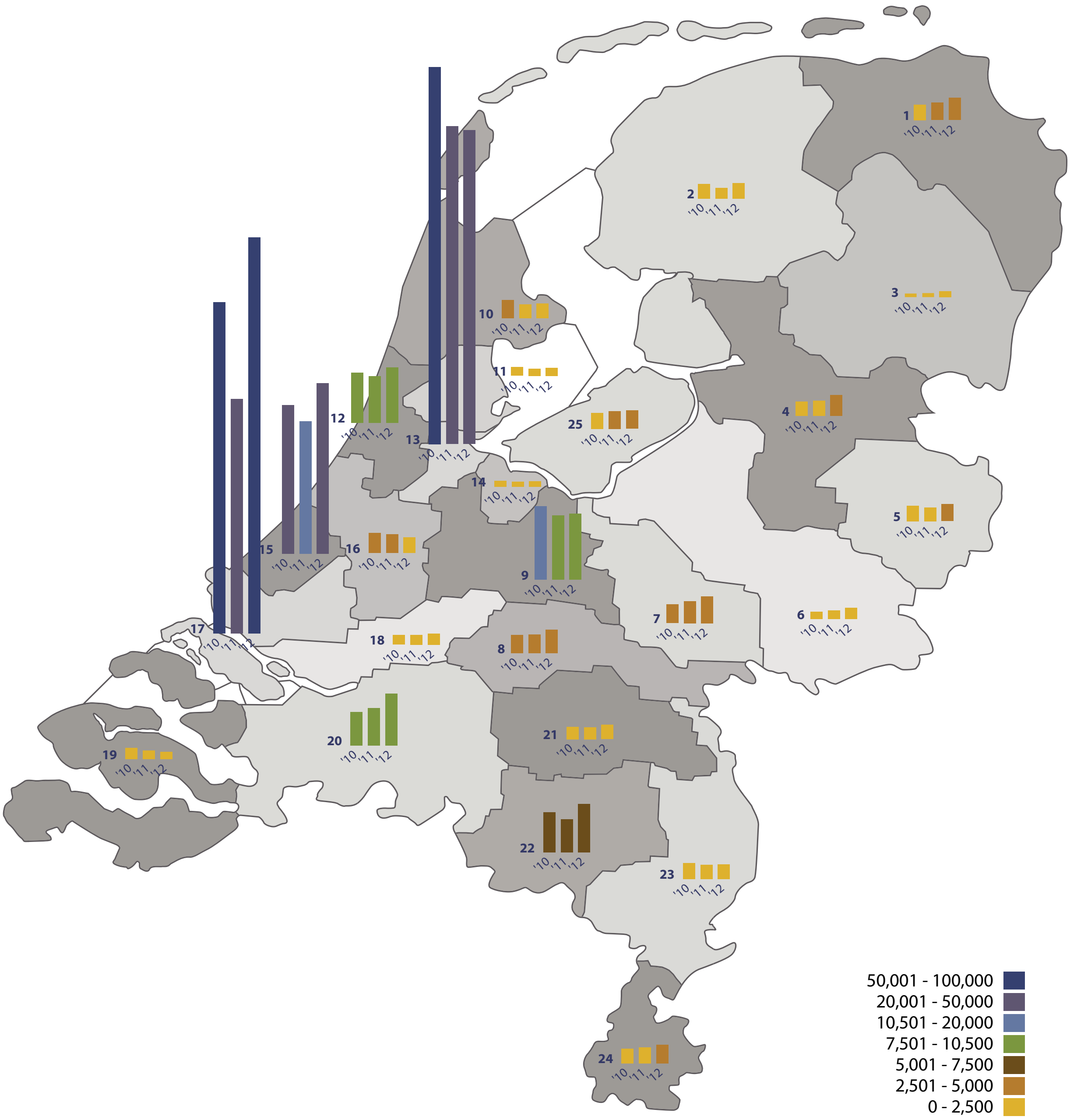


Table for figure 1

Police region	Number on map	2010	2011	2012
Groningen	1	2,327	2,632	3,337
Friesland	2	2,210	1,637	2,343
Drenthe	3	541	608	898
IJsselland	4	2,152	2,258	3,112
Twente	5	2,317	2,061	2,579
Noord- en Oost-Gelderland	6	1,106	1,296	1,713
Gelderland-Midden	7	2,840	3,352	4,051
Gelderland-Zuid	8	2,735	2,782	3,507
Utrecht	9	11,107	9,721	9,951
Noord-Holland-Noord	10	2,733	2,069	2,209
Zaanstreek-Waterland	11	1,320	1,075	1,192
Kennemerland	12	7,566	7,037	8,361
Amsterdam-Amstelland	13	56,942	47,969	47,385
Gooi en Vechtstreek	14	868	741	802
Haaglanden	15	22,457	19,975	25,769
Hollands Midden	16	3,034	2,825	2,362
Rotterdam-Rijnmond	17	50,006	35,431	59,814
Zuid-Holland-Zuid	18	1,445	1,458	1,692
Zeeland	19	1,690	1,301	1,123
Midden- en West-Brabant	20	5,079	5,661	7,865
Brabant-Noord	21	1,852	1,788	2,159
Brabant-Zuid-Oost	22	6,020	5,014	7,314
Limburg-Noord	23	2,385	2,117	2,213
Limburg-Zuid	24	2,248	2,389	2,830
Flevoland	25	2,394	2,650	2,758

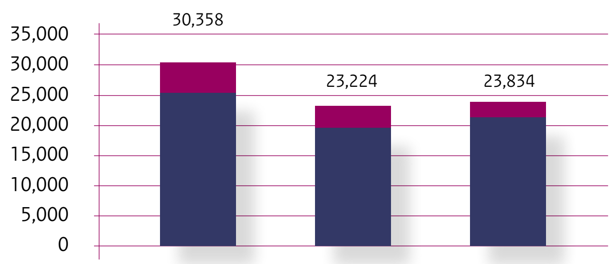
* 99% of the unusual transactions was linked to a region on the basis of the transaction location.

1% of the transactions was not linked to a region due to inadequate provision of the location in the transaction report.

7.1.3 Suspicious transactions

The number of suspicious transactions increased slightly in 2012 in comparison with the previous year. However, the percentage of money transfers grew; in 2011, 84% of the suspicious transactions concerned a money transfer, in 2012, the percentage was 89%.

Diagram 2: Suspicious transactions in 2010–2012



	2010	2011	2012
non-money transfers	4,988	3,653	2,583
money transfers	25,370	19,571	21,251

The number of transactions which are declared suspicious by FIU-the Netherlands annually is not determined exclusively by the degree in which transactions 'deserve' this status, but also by the efforts that FIU-the Netherlands and the various enforcement partners are able to make. The extent to which police files that FIU-the Netherlands uses to carry out matches, are provided with data by the investigative authorities (for example the VROS file), for instance, plays an important role. The number of LOvJ requests received by FIU-the Netherlands also determines the number of transactions declared suspicious. In addition, the quality of the reports is important to be able to determine the possible suspicious nature of a transaction. Finally, the available investigation capacity of FIU-the Netherlands is very important for the number of transactions declared suspicious. A transaction may be potentially suspicious, but if FIU-the Netherlands has no capacity to investigate it, it will not be given that status. FIU-the Netherlands is convinced that a larger investigation capacity would lead to a larger number of suspicious transactions.

FIU-the Netherlands selects and prioritizes for its own investigations relevant transactions and subjects, partly on the basis of several red flag queries. These red flag queries are continuously being developed, and they will be incorporated into an automated red flag system in the future. Please refer also to Section 1.2.2.

7.1.4 Reasons for forwarding transaction reports

Table 5: Reasons for forwarding suspicious transactions in 2010-2012

	2010		2011		2012	
Reason for forwarding	**number**	**percentage of total**	**number**	**percentage of total**	**number**	**percentage of total**
VROS	15,505	51%	11,541	50%	9,485	40%
FIU investigations	9,498	31%	8,224	35%	7,852	33%
LOvJ	5,338	18%	3,375	15%	5,204	22%
CJIB and BOOM	17	0%	84	0%	1,293	5%
Total	**30,358**	**100%**	**23,224**	**100%**	**23,834**	**100%**

In spite of the fall in the number of VROS-related forwarded reports, the number of suspicious transactions rose slightly in 2012. The increase is connected with the number of forwarded reports on the basis of LOvJ requests and the matching with CJIB and BOOM files. The number of BOOM-related forwarded reports rose from 2 in 2011 to 104 in 2012. This substantial increase is due to the growing number of suspects' names provided by BOOM and the improved quality of the data provided. The number of forwarded reports on the basis of the matching with the CJIB files increased from 82 in 2011 to 1,189 in 2012. This increase is the result of new agreements between FIU-the Netherlands and the CJIB, in which the latter party requested FIU-the Netherlands to carry out matches with its data files more frequently. In 2012, FIU-the Netherlands received files from the CJIB several times and carried out a matching operation on them. The decrease in the number of VROS-related forwarded reports is not so much due to the lack of potential suspicious transactions, but rather to a lack of capacity within FIU-the Netherlands. This forces FIU-the Netherlands to prioritize its efforts as it cannot carry out and elaborate all possible matches [22]/. FIU-the Netherlands gives priority to providing high-quality investigation files that definitely meet the need of investigative authorities, thus increasing the chance that the files are used for further investigation.

[22]/
In 2012, the choice was made to match incoming unusual transactions automatically only with the most recent subject data from current investigations (MRO lists of subjects). In so doing, FIU-the Netherlands deploys its capacity in focusing on current investigations. This increases the chance that investigation partners act on information in FIU investigation files.

7.1.5 Dossiers in each police region

The table below shows the number of suspicious transaction dossiers that concern the various police regions in the Netherlands. The files were linked to regions on the basis of the locations where the suspicious transactions were carried out. FIU-the Netherlands has no information about the number of files that were actually used for investigation by the regional police forces.

Table 6: Number of files by region in 2010-2012

	2010	2011	2012
Rotterdam-Rijnmond	3,606	1,937	1,532
Amsterdam-Amstelland	4,029	1,813	1,016
Haaglanden	1,481	654	488
Kennemerland	1,065	386	283
Midden- en West-Brabant	636	334	253
Utrecht	694	393	240
Brabant-Zuid-Oost	484	176	158
Gelderland-Midden	233	99	122
Limburg-Zuid	339	138	121
Flevoland	208	187	97
Noord-Holland-Noord	198	97	94
Gelderland-Zuid	266	84	94
Brabant-Noord	224	118	85
Twente	152	98	82
Hollands Midden	149	90	81
Limburg-Noord	273	99	65
Groningen	138	61	57
Friesland	203	51	51
Zaanstreek-Waterland	110	73	48
IJsselland	256	80	47
Gooi en Vechtstreek	80	42	39
Unknown	81	41	33
Zuid-Holland-Zuid	126	55	29
Noord- en Oost-Gelderland	77	40	28
Zeeland	105	50	27
Drenthe	30	22	23
Several regions possible	59	12	18
Outside of the Netherlands	8	6	14
Total	**15,310**	**7,236**	**5,225**

* As files sometimes contain transactions that took place in different regions, this table includes transactions counted double.

Despite the increase in the number of suspicious transactions, the number of files that FIU-the Netherlands produced in 2012 (4,356) was lower than in 2011 (6,462 files). In other words, the number of suspicious transactions in each file increased. In 2012, FIU-the Netherlands generated 4,356 files, comprising 23,834 transactions. In 2011, it generated 6,462 files, comprising 23,224 transactions. FIU-the Netherlands will examine the cause of this increase in suspicious transactions per file in 2013.

7.1.6 Suspicious transactions in each sector

Table 7: Suspicious transactions in each sector in 2010-2012

Non-money transfers

	2010		2011		2012	
Sector	**Number**	**Percentage of subtotal**	**Number**	**Percentage of subtotal**	**Number**	**Percentage of subtotal**
Banks [23]/	3,169	64%	1,648	45%	788	30%
Currency exchange offices	409	8%	683	19%	731	28%
Independent professions	500	10%	289	8%	384	15%
Dealers	418	8%	477	13%	250	10%
Government	113	2%	86	2%	216	8%
Casinos	303	6%	354	10%	182	7%
Credit card companies	71	1%	114	3%	23	1%
Administration offices	0	0%	0	0%	7	0%
Life insurance companies	2	0%	0	0%	1	0%
Payment service providers	0	0%	0	0%	1	0%
Other dealers	2	0%	2	0%	0	0%
Securities brokers	1	0%	0	0%	0	0%
Insurance brokers	0	0%	0	0%	0	0%
Investment institutions	0	0%	0	0%	0	0%
Finance companies	0	0%	0	0%	0	0%
Non-money transfers subtotal	**4,988**	**100%**	**3,653**	**100%**	**2,583**	**100%**

Money transfers

	2010		2011		2012	
Sector	**Number**	**Percentage of subtotal**	**Number**	**Percentage of subtotal**	**Number**	**Percentage of subtotal**
Currency exchange offices	18,807	74%	15,502	79%	19,023	90%
Banks	6,563	26%	4,069	21%	2,228	10%
Money transfers subtotal	**25,370**	**100%**	**19,571**	**100%**	**21,251**	**100%**
Grand total	**30,358**		**23,224**		**23,834**	

* Due to rounding differences, the total is not exactly 100%.

For the second year running, the number of suspicious declared transactions from the banking sector decreased sharply (please refer to Section 7.3.2.1 for an interpretation of this development). In spite of this, the banking sector remains the leader in respect of suspicious transactions that are not money transfers. In contrast, the number of suspicious transactions from currency exchange offices increased for the second year running. This increase is connected with the elaborate investigations that FIU-the Netherlands performs in regard to reports of the use of prepaid cards, an investigation that resulted in many suspicious transactions. The VROS matching also produces a large number of suspicious prepaid card transactions. The number of forwarded reports from dealer transactions fell sharply in 2012 (-48%), as well as the number of forwarded reports of casino transactions (-49%). The number of reports of suspicious money transfer transactions remained more or less the same, in spite of the sharp increase in the number of reports. More information about these developments is included in the relevant sections below in this chapter.

23/ For banks, this concerns partly composite reports instead of separate suspicious transactions. See Section 7.3.2.1 for further explanations.

7.1.7 Suspicious transactions in each police region

Figure 2 gives a quantitative overview of where in the Netherlands, in each police region, suspicious transactions take place. Transactions are linked to police regions on the basis of the location where they occurred.

Figure 2: Suspicious transactions by police region in 2010-2012

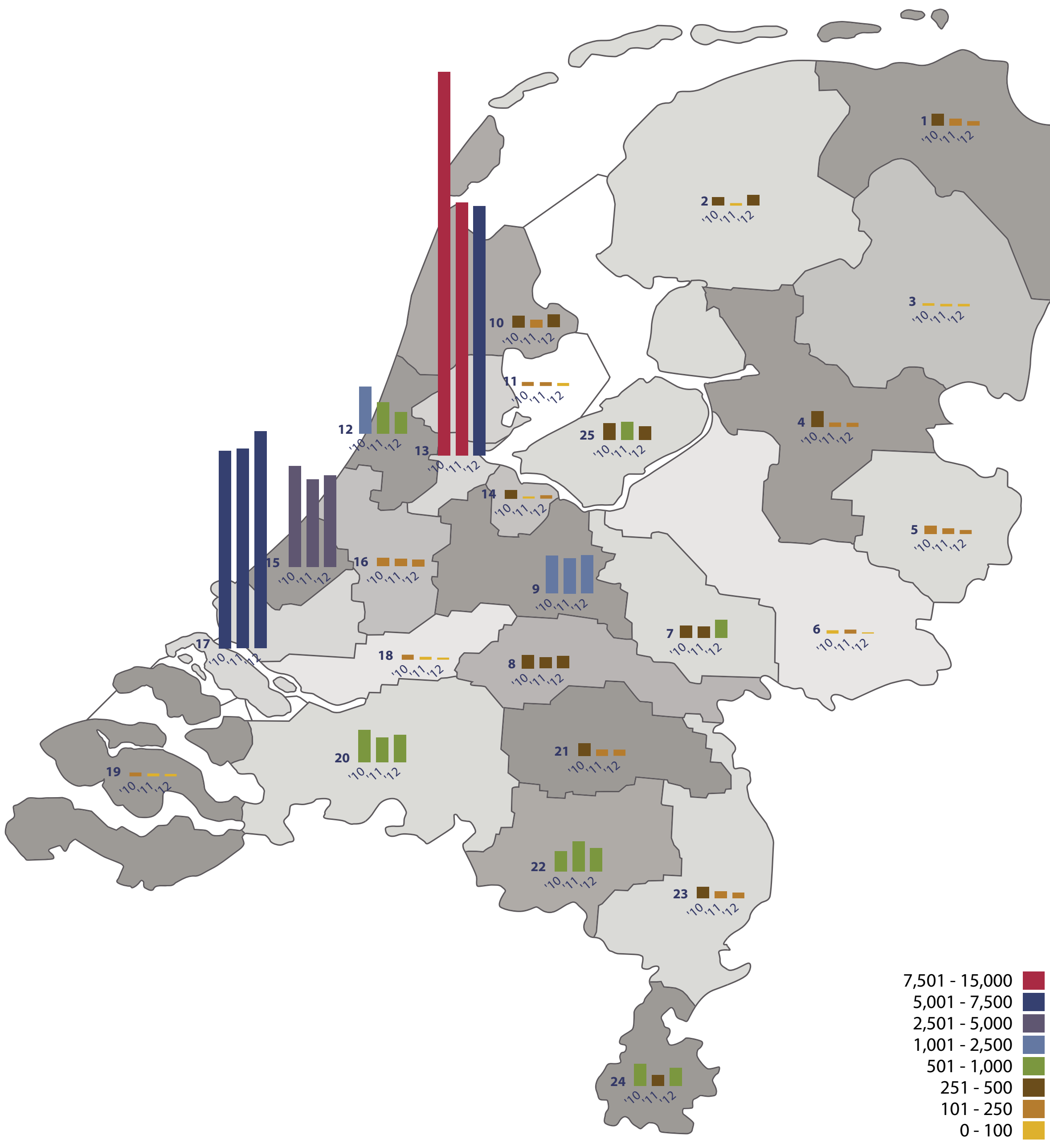


Table for figure 2

Police region	Number on map	2010	2011	2012
Groningen	1	352	203	135
Friesland	2	249	77	314
Drenthe	3	75	34	35
IJsselland	4	471	132	125
Twente	5	243	170	120
Noord- en Oost-Gelderland	6	100	121	37
Gelderland-Midden	7	365	337	539
Gelderland-Zuid	8	398	330	363
Utrecht	9	1,125	1,047	1,131
Noord-Holland-Noord	10	349	229	383
Zaanstreek-Waterland	11	127	114	90
Kennemerland	12	1,487	937	648
Amsterdam-Amstelland	13	11,399	7,503	7,394
Gooi en Vechtstreek	14	262	62	103
Haaglanden	15	3,077	2,594	2,733
Hollands Midden	16	247	220	198
Rotterdam-Rijnmond	17	5,871	5,923	6,436
Zuid-Holland-Zuid	18	150	86	62
Zeeland	19	115	86	73
Midden- en West-Brabant	20	968	730	818
Brabant-Noord	21	387	195	185
Brabant-Zuid-Oost	22	619	891	691
Limburg-Noord	23	345	198	172
Limburg-Zuid	24	662	321	534
Flevoland	25	495	539	411

* 99% of the suspicious transactions could be linked to a region on the basis of the transaction location. 1% of the transactions could not be linked to a region because the name of he location was not, or not properly, provided.

There was a large increase in the police region Friesland. In 2012, the number of suspicious transactions almost quadrupled in this region. This substantial increase was related to five different files, which comprised 22 to 63 suspicious transactions. Three files concerned forwarded reports on the basis of a match with the VROS register. Two other files concerned forwarded reports on the basis of LOvJ requests. The requests were made within the context of an investigation into social security fraud and fencing. The increase in the number of forwarded reports of suspicious transactions in Friesland coincided with a relatively large increase in the number of LOvJ requests that was submitted from this region, i.e. from 12 in 2011 to 19 in 2012. The same applies to the number of LOvJ requests that were submitted from the region Gelderland-Midden: it rose from 11 to 16. A larger number of LOvJ request does not automatically result in a large number of suspicious transactions in a region. This can be seen in the region Utrecht, where the number of requests rose from 36 in 2011 to 64 in 2012 (+78%), but the number of suspicious transactions increased ‘only’ by 8%. This may be caused by a number of reasons. In the first place, not every subject that occurs in a LOvJ request results in a hit with the FIU database. In addition, it is possible that there is a hit, but that this concerns to a larger extent transactions that were carried out in other regions, so that there is no or hardly any effect on the number of suspicious transactions that were carried out in a certain region. Please refer to Section 7.1.8 for the number of LOvJ requests.

7.1.8 LOvJ requests submitted

Table 8: The number of LOvJ requests submitted per region in 2008-2012

Police regions	2008	2009	2010	2011	2012
Utrecht	18	21	21	36	64
Haaglanden	37	47	59	31	59
Amsterdam-Amstelland	142	99	68	51	54
Rotterdam-Rijnmond	36	50	48	48	40
IJsselland	49	44	58	52	34
Midden- en West-Brabant	15	10	4	10	27
Drenthe	18	30	29	17	24
Hollands Midden	24	36	27	23	24
Friesland	29	11	12	12	19
Kennemerland	36	54	45	29	19
Groningen	25	14	9	14	17
Gelderland-Midden	6	10	13	11	16
Brabant-Noord	8	12	6	10	13
Brabant-Zuid-Oost	8	13	6	29	13
Zeeland	11	16	22	25	11
Gelderland-Zuid	11	8	9	8	8
Noord-Holland-Noord	18	26	17	10	8
Zaanstreek-Waterland	12	9	5	4	7
Zuid-Holland-Zuid	7	3	2	15	7
Noord- en Oost-Gelderland	11	8	27	11	7
Flevoland	14	23	13	11	6
Limburg-Zuid	6	12	13	10	6
Limburg-Noord	0	0	1	1	5
Twente	24	6	7	13	5
Gooi en Vechtstreek	0	1	2	0	3
police regions subtotal	**565**	**563**	**523**	**481**	**496**

Other investigative authorities	2008	2009	2010	2011	2012
Fiscal Intelligence and Investigation Service (FIOD)	262	371	274	386	285
The Netherlands Police Agency (KLPD)	150	122	67	64	127
Royal Netherlands Marechaussee (Kmar)	113	124	166	80	102
Social Security Fraud Dept.	46	68	47	69	34
Social Security Information and Investigation Service (SIOD) / SZW inspectorate	37	41	21	31	28
National Police Internal Investigation Dept.	6	1	4	1	10
Prosecution Service Criminal Assests Deprivation Bureau (BOOM)	0	0	0	0	8
Special Task Force Neth. Antilles and Aruba (RST)	0	0	0	0	4
Other	25	24	21	9	3
Supraregional Crime Squad	2	3	0	0	0
General Inspection Service (AID)	7	5	0	0	0
Other services subtotal	**648**	**759**	**600**	**640**	**601**
Total	**1,213**	**1,322**	**1,123**	**1,121**	**1,097**

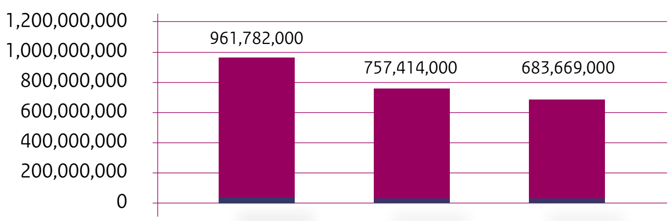
Table 8 shows the number of LOvJ requests submitted annually by investigative authorities. The total number of requests in 2012 was more or less equal to that of previous years. The number of LOvJ requests from the Utrecht region rose sharply. This was partly due to the more intensive cooperation between FIU-the Netherlands and the Utrecht regional police force, consisting of information provision by FIU-the Netherlands to the regional force and periodical consultations with departments of the regional force. The same is true for the Haaglanden region, where the number of requests rose to the 2010 level. However, in the IJsselland region, there was a sharp fall in the number of requests. There was a downward trend in the Kennemerland region as well. This regional force suggested that the decrease was probably caused by an internal reorganization. The number of LOvJ requests from Amsterdam-Amstelland also decreased in the past few years. There are several explanations for this. Firstly, FIU-the Netherlands coached this regional force less intensively than before in drawing up requests. This probably resulted in a decrease in the number of requests. Secondly, FIU-the Netherlands has received indications that Amsterdam-Amstelland staff have been making increased use of BlueView. As suspicious transaction information is immediately accessible in BlueView, officers need to submit fewer LOvJ requests, or no requests at all. Thirdly, staff seem to opt more quickly for a request for provision of documents by money transfer companies under Section 126 of the Code of Criminal Procedure, so that the investigative authorities receive the information directly from the source. As a consequence, FIU-the Netherlands received fewer requests from Amsterdam-Amstelland.

The number of requests submitted by the Netherlands Police Agency (KLPD) rose sharply in 2012 and was back at the level that existed a few years ago. FIU-the Netherlands received LOvJ requests from the BOOM for the first time in many years.

7.1.9 Amounts involved in suspicious transactions

The total amount of the suspicious transactions decreased by more than 73 million euros in 2012. The decrease was caused by the decline in the number of suspicious bank reports (-197.5 million euros). Bank reports often concern large amounts, so a decrease in the number of suspicious transactions in this sector has consequences for the total amount. Other sectors showed an increase in the amounts, for instance in the government's suspicious transactions reports (+108.8 million euros) and accountants' suspicious transactions reports (+53.7 million euros). The high amount of the suspicious government reports was caused by one transaction involving a large amount of money. This concerned a report from the Tax and Customs Administration about extensive money flows within a group of companies in which a suspect of money laundering was involved. The same goes for the suspicious accountants' reports. If a dividing line is drawn between amounts below 1 million Euros and above 1 million Euros, 0.4% of the suspicious transactions accounted for 75.7% of the total amount of money of suspicious transactions in 2012. In 2011, 0.6% of the suspicious transactions accounted for 69.7% of the total amount of suspicious transactions.

Diagram 3: Total amounts in euros of suspicious transactions in 2010-2012



	2010	2011	2012
non-money transfers	921,415,500	727,917,000	654,645,500
money transfers	40,366,500	29,497,000	29,023,500

7.2 Key figures of money transfers

The sections below deal in more detail with the major developments within the money transfer sector. The total numbers of unusual and suspicious transactions within this sector, the corresponding amounts, the ratio between objective and subjective reports and the major flows of money will be discussed.

The term 'money transfer' refers to 'a payment service where funds are received from a payer, without any payment accounts being created in the name of the payer or the payee, for the sole purpose of transferring a corresponding amount to a payee or to another payment service provider acting on behalf of the payee, and/or where such funds are received on behalf of and made available to the payee'.[24]

Of the number of reports that FIU-the Netherlands receives annually, on average 88% concern a money transfer. This means that money transfers form the largest group of reports by far. The objective reporting threshold for money transfers is 2,000 Euros. Transactions that are presumed to be connected with money laundering or financing of terrorism are reported on the basis of subjective indicators, irrespective of the amount.

7.2.1 Numbers of unusual and suspicious money transfers

Most money transfers are reported by currency exchange offices, and to a small extent by banks. There is a total of 29 parties reporting money transfers, and the top 5 of them account for about 85% of all reports.

Diagram 4 shows the development of the money transfer reports in the period 2010 to 2012. The total number of reported money transfers amounted to 183,816 in 2012. This means an increase of 26% compared to 2011. The increase was caused by a significant increase in the number of subjective reports by no less than 48%. This had two major causes:

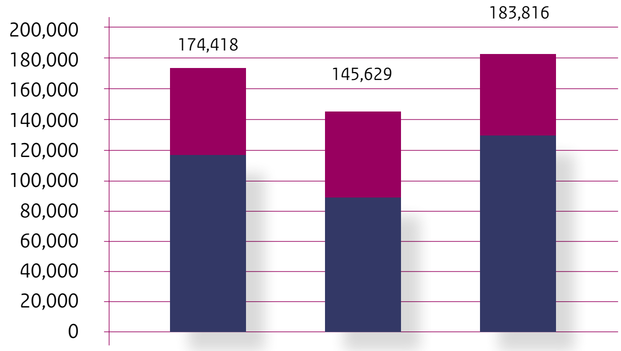
1. Partly on the advice of the supervisory authority, the currency exchange offices carried out even more intensive analyses of their transactions in 2012. On the basis of the results of these analyses, more unusual transactions were reported to FIU-the Netherlands. For instance, transactions from and to high-risk countries in connection with drugs and human trafficking were observed more closely. Furthermore, analyses were carried out in regard to customers who transfer money to different payees in different countries within a set period of time. In some cases, the focus of these internal analyses was determined in collaboration with FIU-the Netherlands.
2. One currency exchange office reported all transactions of one specific branch office, because one of its staff acted contrary to the internal guidelines. In its 2009 annual report, FIU-the Netherlands warned against the risks of 'shop-in-shops', also known as subagents. The term 'shop-in-shop/ subagent' refers to a setup in which a facility for conducting money transfers is created in an existing shop, for instance in travel agencies, call shops, tobacconists, and videoshops. The owners of these shop-in-shops, also called subagents, need no licence. They are not registered personally in the Financial Supervision Act register of DNB, the Dutch central bank, nor are they screened by DNB or do they have the duty to report. Unusual money transfers that are conducted with them, have to be reported by the relevant agent and by the provider. As early as 2009, the integrity risks in respect of the owners of shop-in-shops or subagents were pointed out. It turned out that both in 2010 and 2012, a specific provider felt it necessary to report all transactions of certain subagents on account of the integrity problems with the owners. It is conceivable that there are more subagents with integrity issues. FIU-the Netherlands will discuss this topic with the supervisory authority in 2013.

Due to the substantial increase in the absolute number of subjective reports (+48%) and the slight decrease in the absolute number of objective reports (-5%), the ratio between objective and subjective changed considerably. The ratio between objective money transfer reports and subjective money transfer reports was 29%-71% in 2012.[25]

[24]/ Source: PSD (Directive/ 2007/64/EC).

[25]/ The 2011 annual report mentions the ratio objective/ subjective as 35%-65% and 48%-52% for 2010 and 2011 respectively. A later check revealed that a very large number of transactions in 2011 were erroneously reported objectively whereas they should have been reported subjectively (the amount of the money transfer was below the objective reporting threshold of EUR 2,000). The same is true for 2010, although to a lesser extent. The corrected objective/ subjective ratio for 2010 is 33%-67% and for 2011, 39%-61%

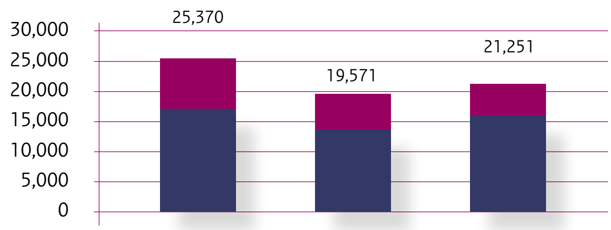
Diagram 4: Unusual money transfers in 2010-2012



	2010	2011	2012
Objective	57,558	56,795	54,078
Subjective	116,860	88,834	129,738

In 2012, 21,251 money transfers were declared suspicious, as can be seen in Diagram 5. There is a 9% increase compared to 2011.

Diagram 5: Suspicious money transfers in 2010-2012



	2010	2011	2012
Objective	8,260	5,880	5,350
Subjective	17,110	13,691	15,901

7.2.2 Amounts involved in suspicious money transfers

Table 9 shows the total and the average amounts that are involved in the *completed* suspicious money transfers in the period from 2010 to 2012. Amounts of *intended* transactions are disregarded. The number of the completed money transfers declared suspicious may have risen, but the total amount was slightly lower than in 2011. This also means that the average amount of the transactions was lower. Due to the larger proportion of subjective reports, more subjective money transfer reports were forwarded (see also Diagram 5). The amounts of these transfers are considerably lower than those of the objective money transfers. The majority of the subjective reports concern transactions that are below the 2,000-euro threshold. The average amount of the subjectively forwarded transactions is slightly less than 800 euros, as against more than 3,000 euros of the objectively forwarded transactions.

Table 9: Total amount and average amount of completed suspicious money transfers 2010-2012

	2010	2011	2012
Total amount (in euros)	40,366,500	29,497,000	29,023,500
Number of completed money transfers	25,104	19,434	21,156
Average amount (in euros)	1,608	1,518	1,372

7.2.3 Reasons for forwarding suspicious money transfers

The number of forwarded reports on the basis of LOvJ requests rose significantly in 2012. In the same year, matching with the CJIB and BOOM files was carried out regularly. This resulted in 1,239 forwarded reports (6% of the total number of forwarded reports). Although the number of forwarded reports on the basis of the VROS matching decreased, VROS was still the most important reason for forwarding, followed by the FIU's own investigations.

Table 10: Reasons for forwarding suspicious money transfers in 2010-2012

	2010		2011		2012	
reason for forwarding	**number**	**percentage of total**	**number**	**percentage of total**	**number**	**percentage of total**
VROS	12,595	50%	10,141	52%	8,502	40%
FIU investigation	8,158	32%	6,788	35%	6,822	32%
LOvJ	4,601	18%	2,561	13%	4,688	22%
CJIB en BOOM	16	0%	81	0%	1,239	6%
Total	**25,370**	**100%**	**19,571**	**100%**	**21,251**	**100%**

7.2.4 Money flows of unusual and suspicious money transfers

Tables 11 and 12 show the top 10 countries in respect of incoming and outgoing money transfers linked with unusual transactions and suspicious transactions. Of the number of unusual money transfer reports, 82% concerned outgoing transactions and 17% concerned incoming transactions. The remaining 1% concerned money that was transferred within the Netherlands. In terms of percentages, the amounts are virtually equal in the various money flows.

The top 10 of destination countries was more or less the same countries as in 2011. A newcomer in position 10 was Hungary (was in position 20). This resulted from the investigation into human trafficking described in Section 3.4.3, in which a network of transactions towards Hungary was discovered. This information was shared with the reporting institutions, following which more money transfers linked to Hungary were reported. On the basis of this, the number of suspicious transactions in respect of money transfers from the Netherlands to Hungary almost doubled in comparison with the year 2011 (see also Table 12). This illustrates once more clearly the usefulness of the chain 'reporting institutions - FIU-the Netherlands – investigative authorities'. This example shows again that if the focus is on a certain theme (in this case, human trafficking in connection with Hungary), FIU-the Netherlands almost always possesses useful transaction information. The fact that transactions declared suspicious and signals related to the theme are subsequently fed back to the reporting parties, means that more transactions are reported as unusual and that these can often be shared with the investigative authorities after examination by the FIU.

Another striking aspect of the destination countries is that the number of reports of money transfers to the Dominican Republic more than doubled compared to 2011. About half of this doubling can be attributed to the currency exchange office referred to above, which reported all transactions of one branch office. The clients of this branch office apparently had a strong connection with the Dominican Republic. On the other hand, money transfers to the Dominican Republic often emerge in analyses carried out by the currency exchange offices themselves. These are often transactions in which one payer has many payees, often even in different countries (including the Dominican Republic) and in which the relationship between the payer and the payees is unclear. These prove to be useful reports for FIU-the Netherlands. Relatively many of these transactions reported in 2012 were declared suspicious in the very same year.

As with the destination countries, the top 10 of the countries of origin was fairly stable compared to 2011. An exception is formed by Libya, about which substantially more reports of incoming money transfers were received, although the amounts concerned were low on average. Libya often emerges in internal analyses of currency exchange offices in connection with high-risk countries. More precisely, a pattern is frequently seen in which a payee in the Netherlands receives, on the same day or within a short period, several transactions from various payers who do not seem to be related at first sight. FIU-the Netherlands has noticed this development but has been unable to find an explanation of it as yet. The proportion of transactions from Libya declared suspicious has been low, so far. The VROS matching has given few results as yet. FIU-the Netherlands is further investigating these reports at present.

Table 11: Top 10 of countries of completed unusual money transfers in 2012 (on the basis of numbers)

	Unusual	Number completed	Amount (in euros)
From the Netherlands		82%	81%
Destination top 10	Turkey	15,078	50,875,500
	Morocco	10,811	30,228,000
	Dominican Republic	10,783	8,767,000
	China	8,886	24,723,000
	Suriname	8,829	8,567,500
	Ghana	5,889	4,473,000
	Colombia	5,384	5,688,000
	Philippines	4,790	5,182,000
	Nigeria	4,681	2,513,500
	Hungary	4,550	1,303,500
To the Netherlands		17%	18%
Origin top 10	Turkey	2,198	5,291,000
	United States	2,027	2,031,500
	Switzerland	1,917	1,956,500
	Great Britain	1,790	2,517,500
	France	1,776	3,043,500
	Germany	1,564	2,462,000
	Italy	1,402	1,175,500
	Spain	1,319	2,030,500
	Libya	732	513,500
	Russia	728	1,545,000

The money transfers declared suspicious in Table 12 show a virtually equal distribution, in terms of percentage, of the various money flows. Of the number of suspicious money transfer reports, 81% concern transactions from the Netherlands to foreign countries, 16% concern transactions from foreign countries to the Netherlands, and the remaining 3% concern money transfers within the Netherlands.

The top 4 of destination countries of suspicious money transfers remained exactly the same. The number of money transfers declared suspicious from the Netherlands to Hungary was almost doubled due to the above-mentioned criminal investigation into human trafficking and money laundering. Romania was back in the top 10 and in respect of numbers comparable to the numbers of suspicious transactions in 2010. Half of the suspicious money transfers to Romania were declared suspicious on the basis of FIU-the Netherlands' own investigations. For instance, a major file including more than 200 transactions was forwarded in connection with human trafficking. Another large file (almost 100 transactions) was connected with theft from companies (itinerant crime groups). Ecuador was new to the top 10. About two-thirds of the suspicious transactions were identified as such by FIU-the Netherlands on the basis of its own investigations. A total of 40 files were compiled, the majority of which appeared connected with drug trafficking.

The top 10 of suspicious countries of origin of suspicious money transfers remained virtually stable. The number of suspicious transactions from the United States rose significantly compared to 2011. Half of the suspicious transactions were declared suspicious on the basis of the FIU's own investigations, including one large file containing 53 money transfers from the US to the Netherlands. This case, which concerned drug trafficking and fraud in which one Dutchman played the leading role, came to light after a request for information from a foreign police organization. Norway was a conspicuous newcomer in position 9. Compared to 2010 and 2011, the number of transactions (money transfers) declared suspicious was about three times as high in 2012. The majority (67%), including two large files connected with fraud, were declared suspicious on the basis of the FIU's own investigations in cooperation with foreign countries.

Table 12: Top 10 of countries of completed suspicious money transfers in 2012 (based on numbers)

	Suspicious	Number completed	Amount
From the Netherlands		81%	78%
Destination top 10	Dominican Republic	2,313	2,588,500
	Suriname	1,694	1,079,500
	Turkey	1,338	3,992,000
	Colombia	940	1,093,500
	Hungary	909	386,500
	Romania	860	901,500
	Spain	603	706,000
	China	555	1,627,500
	Morocco	541	1,054,500
	Ecuador	452	808,000
To the Netherlands		16%	20%
Origin top 10	Italy	360	571,000
	Great Britain	351	397,000
	Germany	225	311,500
	Switzerland	204	300,500
	United States	194	206,000
	Turkey	175	476,500
	Spain	167	272,500
	France	155	203,000
	Norway	145	303,000
	Sweden	128	262,500

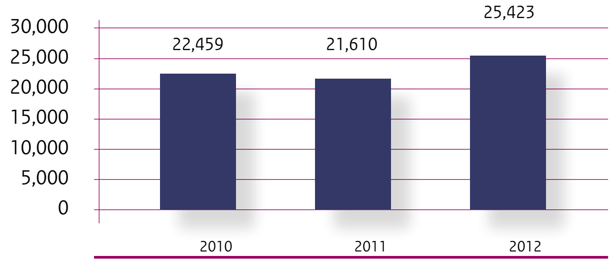
7.3 Key figures of non-money transfers

This section presents a summary of key figures concerning reports of unusual transactions and suspicious transactions that are not money transfers. For convenience's sake, we call this category: the non-money transfers. The percentage of this category in the total number of unusual transactions that FIU-the Netherlands receives annually (on average, 12% of the total), is considerably smaller than the percentage of money transfers. However, the types of report and reporting group within this category are much more diverse. This section first presents the total numbers of the unusual and suspicious non-money transfers, and subsequently the key figures for each reporting sector.

7.3.1 Unusual and suspicious non-money transfers

The numbers of unusual and suspicious transactions (non-money transfers) in the period from 2010 to 2012, are shown in Diagrams 6 and 7 respectively. In 2012, FIU-the Netherlands received 25,423 reports of non-money transfers, a 17.6% increase compared to 2011. As can be deduced from Table 3 in Section 7.1.1, most reports of non-money transfers in 2012 were made by government agencies (27%), currency exchange offices (20%), dealers(20%) and banks (19%).

Diagram 6: Unusual transactions in non-money transfers in 2010-2012



The proportion of unusual non-money transfers which are reported on the basis of an objective indicator, rose in 2012: whereas the ratio of objective-subjective reports was still 40%-60% in 2010, the proportion of objective reports rose to 45% in 2011 and to 51% in 2012. This increased proportion is largely due to the increased number of Customs' and dealers' reports, which were chiefly reported on the basis of objective indicators.

In 2012, 2,583 non-money transfers were declared suspicious (see Diagram 7). This was an almost 30% decrease compared to the previous year. This overall decrease in suspicious transactions was connected with the reduction in the number of forwarded suspicious reports in the reporting groups banks, casinos and dealers. This is dealt with in more detail in Section 7.3.2 and the following sections.

Diagram 7: Suspicious transactions in non-money transfers 2010-2012

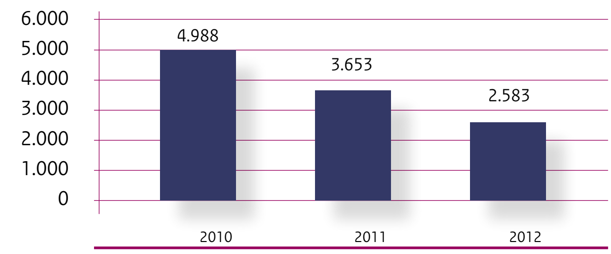


Table 13 shows the reasons for forwarding on the basis of which the reports (non-money transfers) were declared suspicious.

Table 13: Reasons for forwarding suspicious transactions that were not money transfers in 2010-2012

	2010		2011		2012	
Reason for forwarding	**number**	**percentage of total**	**number**	**percentage of total**	**number**	**percentage of total**
VROS	2,910	58%	1,400	38%	983	38%
FIU investigation	1,340	27%	1,436	39%	1,030	40%
LOvJ	737	15%	814	22%	516	20%
CJIB and BOOM	1	0%	3	0%	54	2%
Total	**4,988**	**100%**	**3,653**	**100%**	**2,583**	**100%**

*Due to rounding differences, the total is not exactly 100%

As was stated above, the number of VROS-based forwarded reports decreased considerably after 2011. This is also noticeable in the forwarded reports of non-money transfers: in 2011, there was a 52% decrease compared to 2010. It coincided with the introduction of the new business system (GoAML). The number of VROS-based forwarded reports decreased almost a further 30% in 2012, compared to 2011. As was commented above, this decrease is connected with the decision not to use the entire capacity of FIU-the Netherlands to carry out and elaborate all matches.

Just as in 2011, most non-money transfers in 2012 were declared suspicious after investigations by FIU staff, followed by the forwarded reports on the basis of the VROS matching. Non-money transfer reports from banks, dealers and independent professions often contain complex information that needs to be subjected to the FIU's own extensive investigations. Examining these transactions requires relatively much capacity.

The sections below deal in more detail with the numbers of unusual and suspicious non-money transfer transactions for each reporting sector, and discuss the major developments in these sectors.

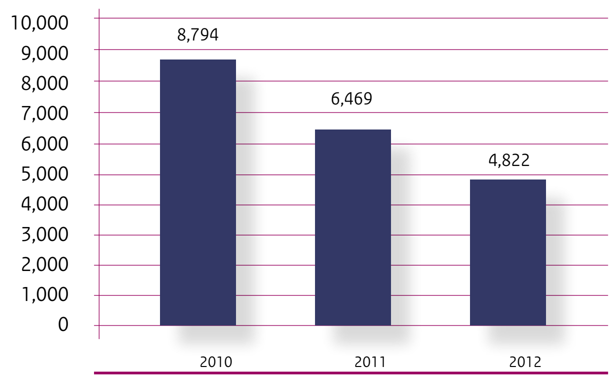
7.3.2 Traditional reporting parties

Traditional reporting entities are the institutions that have had the duty to report since the then Disclosure of Unusual Transactions Act came into force in 1994. This concerns the reporting groups: banks, currency exchange offices, casinos, credit card companies and the so-called other traditional reporting parties. This last-named group includes insurance brokers, investment institutions, securities brokers, life insurance companies and financing companies. The numbers of unusual and suspicious transactions of all traditional reporting entities are shown in the following subsections.

7.3.2.1 *Banks*

Diagram 8 shows the number of reports from banks (excluding money transfers) in the period 2010-2012.

Diagram 8: Reports by banks on non-money transfers in 2010–2012



The large number of reports in 2010 was a departure from the trend existing in the previous years. The increase was due to the large number of reports from one reporting entity. This was followed by a decrease in 2011, due to the fact that the three major banks reported fewer cases. In 2012 as well, FIU-the Netherlands received 26% fewer reports (excluding money transfers) from banking institutions compared to 2011.

An analysis of the banks' reports shows that this conspicuous decrease was largely due to a major reporting entity that submitted relatively many reports to FIU-the Netherlands in the past. This reporting entity made composite reports [26/] in about 40% of cases in 2012. A composite report may consist of many separate unusual transactions, as a result of which FIU-the Netherlands is unable to carry out proper counting at transaction level . FIU-the Netherlands found that several banks, possibly more than in the past, made their reports in this way, so that the counts of FIU-the Netherlands throughout the years are possibly less easy to compare. However, because this does not seem to explain the entire substantial decrease, FIU-the Netherlands will start discussions with the banks and the supervisory authority in 2013 so as to interpret these developments more in detail and to enhance cooperation. During these discussions, specific attention will be paid to composite reports, so that the complications that are involved (see footnote 27) can be addressed.

The number of reporting banks increased slightly in the period from 2010 to 2012: in 2010, FIU-the Netherlands received reports from 26 banks, in 2011 from 28, and in 2012 this number rose to 35. The percentage of the three major banks remained virtually the same in this period (approx. 88%).

The kinds of transactions that these banks report, are shown in Table 14.

Table 14: Banks' reports broken down for type of transaction in 2010-2012

Type of transaction	2010	2011	2012
Deposit in account	4,778	3,926	2,964
Funds transfer	2,702	1,028	852
Withdrawal from account	572	745	627
Other	341	254	199
Cash	236	414	83
Foreign currency purchase by reporting party	101	54	57
Exchange transaction	53	24	40
Cash machine deposit	11	24	0
Total	**8,794**	**6,469**	**4,822**

It is striking that the reports of deposits in accounts and funds transfers decreased. Most banks' reports concerned cash transactions. The most frequent cash transaction was the deposit in account. Almost 1,000 fewer reports of this transaction type were received in 2012, which means a reduction by about 25%. The number of funds transfers also decreased in 2012.

The number of reports from banks declared suspicious fell sharply in 2012, by 52% compared to 2011 (see Diagram 9). The amount of money involved also dropped. This decrease will also be discussed in the above-mentioned meetings with the banking sector. However, these are also partly composite reports from banks instead of separate transactions, so the picture may be distorted.

26/
A composite report means that several separate transactions are described in the free text field of the reporting form, instead of specifying these transactions in separate reports to FIU-the Netherlands.

27/
Composite reports may give the following complications:
1) the reported amount does not always match the total amount of the separate transactions pertaining to this report;
2) essential information may be lacking because the free text field may be used to refer to previous transactions that are not specified in detail in the report; and
3) the free text fields of the reporting forms are difficult to analyse by means of automated analysis techniques. This creates the risk that relevant transaction information remains unnoticed, so that the unusual transactions belonging to this composite report cannot be labelled, or can be labelled less easily, as suspicious.

Diagram 9: Reports by banks on suspicious non-money transfers in 2010 - 2012

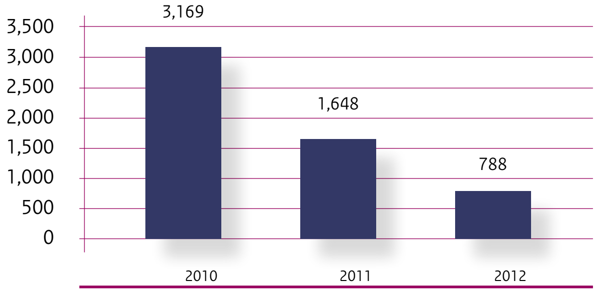


Table 15: Reasons for forwarding reports by banks on suspicious non-money transfers in 2010-2012

	2010		2011		2012	
Reason for forwarding	**number**	**percentage of total**	**number**	**percentage of total**	**number**	**percentage of total**
FIU investigation	866	27%	495	30%	351	45%
VROS	1.935	61%	492	30%	298	37%
LOvJ	368	12%	660	40%	126	16%
CJIB	0	0%	1	0%	13	2%
Total	**3.169**	**100%**	**1.648**	**100%**	**788**	**100%**

In 2012, most reports by banks were declared suspicious on the basis of FIU-the Netherlands' own investigations. The number of forwarded reports on the basis of a LOvJ request seems strongly diminished at first sight. But this is due to the fact that a large file containing more than 500 suspicious banking transactions in 2011 distorted the total picture of the number of forwarded LOvJ-based reports. This large file had been submitted to the LOvJ by the FIOD and concerned a carrousel fraud case.

Furthermore, the decline in the number of forwarded reports based on the VROS matching is striking. As can be inferred from Table 10, the overall number of forwarded VROS-based reports decreased, but there was a much more substantial decrease in the banking reports. This cannot be explained properly at present, but it will be included in the above-mentioned discussions with the banking sector in 2013.

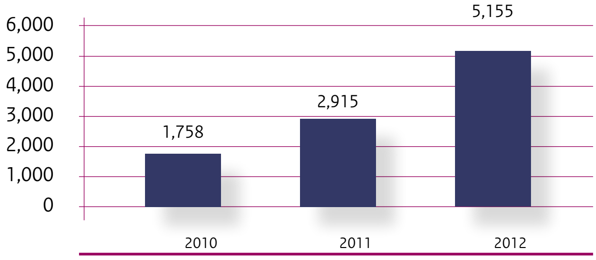
7.3.2.2 *Currency exchange offices*

In addition to money transfers, currency exchange offices also offer services such as changing small denominations for large denominations and the purchase and sale of foreign currency. Apart from these services, FIU-the Netherlands has received many reports on a payment product that is gaining popularity, the prepaid cards [28]/.

[28]/ In the previous annual report the term 'debit card' was used erroneously a few times, although this payment product concerns a prepaid card.

The number of non-money transfers that was reported by currency exchange offices in the period from 2010 to 2012 is shown in Diagram 10.

Diagram 10: Unusual transactions reported by currency exchange offices on non-money transfers in 2010 - 2012



In 2012, the number of reports rose again, from 2,915 in 2011 to 5,155. This increase of more than 75% can be attributed to the grown use made of prepaid cards. When loaded, these prepaid cards can be used for payments in shops or web shops and for making withdrawals from cash machines. The loaded cards can also be easily taken abroad, where the money is subsequently spent. Unlike cash that is imported, conveyed in transit or exported, loaded prepaid cards need not be declared to Customs on entering or leaving the European Union. FIU-the Netherlands received about 1,800 reports on prepaid cards [29]/ in 2011, involving 1.6 million euros. In 2012, the number of prepaid-card related reports rose to almost 4,000, representing a total value of 3.1 million Euros.

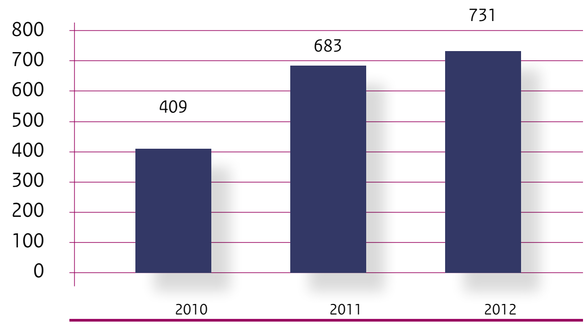
[29]/ The 2011 annual report stated that the number of reports that could be linked to prepaid cards amounted to more than 900. A detailed analysis shows that a great number of prepaid card reports were made under an incorrect category, due to which they were not recognized as such initially. It turned out that almost 1,800 reports were received in 2011, instead of 900.

Another striking development is the decrease in exchange transactions. Whereas as many as 561 exchange transactions were reported in 2010 , their number fell to 293 in 2011 and to only 82 in 2012. The cause of this decline will be investigated in more detail.

Ninety-six percent of the reports from currency exchange offices are made based on the subjective indicator. The number of currency exchange offices reporting non-money transfers increased slightly in the period from 2010 to 2012, from 9 in 2010 to 12 in 2012.

Diagram 11 shows the number of suspicious transactions from the currency exchange offices (non-money transfers) in the period from 2010 to 2012.

Diagram 11: Suspicious transactions reported by currency exchange offices on non-money transfers 2010-2012



The number of suspicious transactions from currency exchange offices rose by 7% in 2012. This slight increase is linked with the increase in the number of reports on prepaid cards in 2012. A total of 440 of the 731 suspicious transactions concern this payment product. Almost 40% of the transactions declared suspicious and reported by currency exchange offices concern a transaction with a prepaid card that was registered in the same year. The large number of forwarded reports substantiates the findings of various investigations (by the FATF and other parties) that recognize the risks attached to this new payment product.

In 2012, most suspicious transactions reported by currency exchange offices were forwarded on the basis of FIU's own investigations (42%) and the VROS matching (40%). For instance, on the basis of FIU's own investigation, a file was compiled consisting of about 70 suspicious outgoing money transfers and deposits in a prepaid card. The transactions were carried out by persons who were suspected of human trafficking in Romania. This file comprises deposits in and withdrawals from prepaid cards amounting to 22,000 Euros.

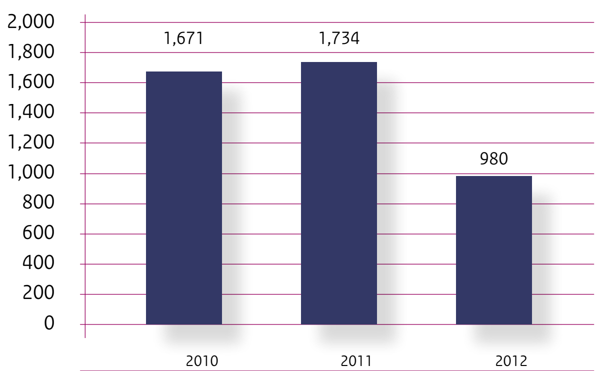
7.3.2.3 *Casinos*

FIU-the Netherlands receives reports from Holland Casino, which has several branches in the Netherlands.

Holland Casino reports deposits, funds transfers (often of money gained) and exchange transactions in which people usually try to change small denominations supposedly won from gambling machines, or the purchase of play tokens, for 500-euro denominations.

Diagram 12 shows the number of unusual casino reports in the period from 2010 to 2012.

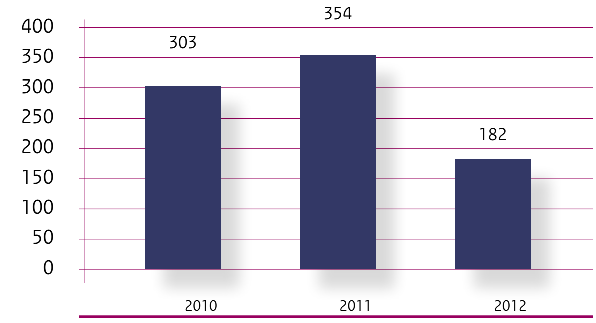
Diagram 12: Unusual transactions reported by casinos in 2010-2012



In response to a visit by the supervisory authority, the reporting entity changed the internal rules for reporting transactions. This resulted in a decline in the number of reports from the casinos to 980 in 2012, as can be seen in Diagram 12. This number is considerably lower than the number for 2010 and 2011, when on average about 1,700 reports were received. This fall in the number of reports is related to the fact that, in absolute numbers, considerably fewer subjective reports by casinos were filed. Whereas the total was still 1,343 in 2011 (77% of the total), it fell to 616 subjectively reported transactions (63% of the total) in 2012. FIU-the Netherlands is concerned about this impoverishment of the casino's efforts to make subjective reports. In previous years, subjectively reported casino transactions have often shown to contain relevant information for the investigative authorities.

The number of suspicious transactions reported by casinos decreased sharply, as Diagram 13 shows. It was almost halved compared to 2011. This substantial decrease can be explained from the fact that fewer subjective or objective reports were made in 2012. In particular, the percentage of forwarded reports on the basis of a match in the VROS database declined sharply; whereas these comprised 194 suspicious transactions (about 55% of the total) in 2011, this number fell to 40 of the 182 suspicious transactions (22%) in 2012.

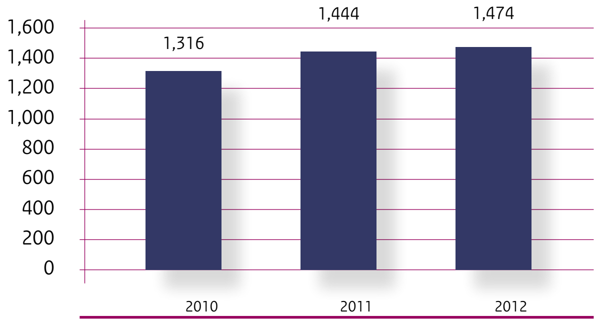
Diagram 13: Suspicious transactions reported by casinos in 2010 -2012



7.3.2.4 *Credit card companies*

If a client makes a payment amounting to 15,000 Euros or more, or deposits such a cash amount in his credit card account, the credit card company has to report it. In addition, credit card companies can also make subjective reports. Diagram 14 shows the number of reports by credit card companies in the period from 2010 to 2012.

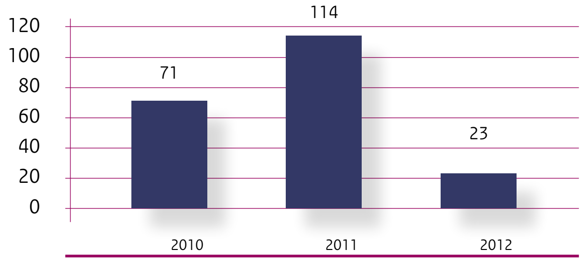
Diagram 14: Unusual transactions reported by credit card companies in 2010-2012



In 2012, the number of unusual transactions rose slightly compared to the preceding year. Almost all reports by credit card companies were made on the basis of an objective indicator.

In 2012, FIU-the Netherlands contributed to a paper dealing with credit card companies' duty to report and with the money laundering risks involved in credit card payments. The discussion about the objective and subjective duty to report within this reporting group will be continued, and contacts with this sector will be intensified in 2013.

Diagram 15: Suspicious transactions reported by credit card companies in 2010-2012



The number of suspicious transactions reported by the credit card companies decreased considerably, from 114 transactions in 2011 to 23 transactions in 2012 (see Diagram 15). The peak in 2011 is due to one extensive file containing 89 suspicious transactions. This file distorts the trend within the sector.

7.3.2.5 *Other traditional reporting entities*

The category 'other traditional reporting entities' is made up of various small reporting groups, namely securities brokers, life insurance companies, finance companies, insurance brokers and investment institutions and companies. Table 16 presents an overview of the numbers of unusual and suspicious transactions reported in the period from 2010 to 2012.

Table 16: Unusual and suspicious transactions reported by other traditional reporting entities 2010 - 2012

	2010		2011		2012	
Sector	**Unusual**	**Suspicious**	**Unusual**	**Suspicious**	**Unusual**	**Suspicious**
Securities brokers	11	1	1	0	0	0
Life insurance companies	2	2	0	0	13	1
Finance companies	2	0	8	0	5	0
Insurance brokers	1	0	1	0	1	0
Investment institutions	0	0	0	0	0	0
Total	**16**	**3**	**10**	**0**	**19**	**1**

In 2012, five unusual transactions were reported by finance companies. They were all reported by one reporting entity. Furthermore, 13 reports were received from life insurance companies, of which 10 came from a single insurance company. The reports all concern (prematurely) commuting an insurance policy and transferring the lump sum to a private account abroad. The unusual transactions were possibly linked to tax fraud and hiding assets from the authorities. So far, one transaction was declared suspicious in 2012. As most reports from this sector were received by the end of 2012, further investigation into the reported transactions will be ensue in 2013.

In 2012, DNB, as supervisory authority, organized an information meeting where FIU-the Netherlands gave a presentation for life insurance companies about legal obligation to report (on the basis of the Anti-Money Laundering and Counter-Terrorist Financing Act) and the Sanctions Act (SW). In 2013, FIU-the Netherlands will intensify contacts with the Association of Insurers, DNB, and the life insurance companies in order to strengthen mutual relationships.

7.3.3 Dealers

In the reporting group 'dealers', a distinction is made between dealers in high-value goods (vehicles, precious metals, vessels, antiques and art) and other dealers.[30] The dealers' reports of unusual and suspicious transactions are shown in Table 17.

Table 17: Unusual and suspicious transactions in the dealers sector in 2010-2012

	2010		2011		2012	
Dealers in	**Unusual**	**Suspicious**	**Unusual**	**Suspicious**	**Unusual**	**Suspicious**
Vehicles	4,078	393	3,750	458	4,334	238
Precious metals	32	12	99	10	798	8
Vessels	86	13	39	7	37	4
Art and antiques	7	0	2	2	1	0
Subtotal	4,203	418	3,890	477	5,170	250
Other dealers	34	2	67	2	58	0
Total	**4,237**	**420**	**3,957**	**479**	**5,228**	**250**

The number of reports by dealers rose by 32% in 2012. This is due to the fact that the vehicles dealers and the precious metals dealers reported a great deal more than in previous years. Especially in the latter category, the number of reports rose from 99 in 2011 to 798 in 2012. This is probably the consequence of more intensive supervision of the dealers in precious metals by the Tax and Customs Administration Holland-Midden/MOT Unit (BHM). The number of reporting precious metals dealers rose in two years' time from 12 in 2010 to 40 in 2012. An explanation of the relatively low number of suspicious transactions in the gold trade may be that the various reporting entities sell their gold to professional organizations (wholesale businesses, forges, etc.) that have a good reputation. Because the payments made in this sector are usually in cash, the transactions are subject to the duty to report. There have not often been reasons to identify these transactions as suspicious so far.

There was an increase in the number of reporting entities in the vehicles trade. The number of reports by dealers in vessels was at about the same level as in the preceding year. The peak in 2010 was caused by one reporting party, who sent 51 reports in that year.

[30] Both "dealers in high-value goods" and "other dealers" have a duty to report under the subjective indicator if a cash payment amounts to EUR 15,000 or more. Only dealers in valuable items also have the duty to report under the objective indicator if a cash payment amounts to EUR 25,000 or more.

However, it occurs frequently that "other dealers" report transactions on the basis of the objective indicator that a cash sale of more than EUR 15,000 took place while there is no concrete suspicion of money laundering. This does not come under the duty to report for those reporting entities.

Moreover, a business has only the duty to report if a *sale* of goods takes place. Therefore, the duty to report does not apply to the *purchase* of gold or metal by a dealer.

Table 18: Reasons for forwarding suspicious transactions in the dealers' sector in 2010-2012

	2010		2011		2012	
Reasons for forwarding	**Number**	**Percentage of total**	**Number**	**Percentage of total**	**Number**	**Percentage of total**
FIU investigations	87	21%	344	69%	84	34%
VROS	183	44%	103	18%	57	23%
LOvJ	150	36%	32	5%	106	42%
CJIB and BOOM	0	0%	0	0%	3	1%
Total	**420**	**100%**	**479**	**100%**	**250**	**100%**

The number of suspicious transactions of dealers fell from 479 in 2011 to 250 in 2012, as is apparent from Table 18. This decrease seems substantial at first sight, but the picture is distorted. A large file in 2011 influenced the overall falling trend. It is one FIU dossier containing no fewer than 262 reports. The number of forwarded reports on the basis of LOvJ requests was also influenced by one dossier, comprising 62 cash purchases of vehicles by two subjects amounting to 2 million euros. In addition, these subjects had imported almost 8.5 million euros into the Netherlands.

7.3.4 Independent professions

Table 19 gives a summary of the numbers of unusual and suspicious transactions reported by the independent professions from 2010 to 2012 and Table 20 shows the total number of reporting entities in the same period.

Table 19: Unusual and suspicious transactions reported by the independent professions in 2010-2012

	2010		2011		2012	
Sector	**Unusual**	**Suspicious**	**Unusual**	**Suspicious**	**Unusual**	**Suspicious**
Accountants	676	179	325	66	322	89
Administration offices	0	0	0	0	71	7
Lawyers	27	5	11	4	10	8
Corporate financial advisers	77	45	15	6	11	9
Tax consultants	147	34	35	9	46	9
Real estate agents	47	2	23	2	39	11
Civil law notaries	356	231	359	199	440	248
Independent legal advisers	6	0	0	0	0	0
Trust companies	12	4	26	3	38	10
Total	**1,348**	**500**	**794**	**289**	**977**	**391**

Table 20: Number of reporting entities for each independent profession in 2010-2012

Type of reporting party	2010	2011	2012
Accountants	121	87	83
Administration offices	0	0	20
Lawyers	17	7	10
Corporate financial advisers	23	8	2
Tax consultants	38	23	17
Real estate agents	6	6	23
Civil law notaries	112	100	123
Independent legal advisers	3	0	0
Trust companies	7	8	6
Total	**327**	**239**	**284**

In general, the number of unusual transactions reported by independent professionals rose again after the 2011 decrease. Likewise, the number of independent professionals that reported to FIU-the Netherlands rose in 2012 (Table 20).

In 2010, many reports were made by accountants and tax consultants that were connected with the imminent termination of the fiscal voluntary disclosure scheme (implemented by the government). In the two following years, the number of reported transactions and the number of reporting entities in these professions fell considerably. The number of reports from tax consultants rose slightly from 35 in 2011 to 46 in 2012.

Substantially more reports were received from real estate agents, civil-law notaries and administration offices in 2012. The number of reports from real estate agents rose from 23 in 2011 to 39 unusual transactions in 2012. There were a large number of new reporting entities: in 2010 and 2011, 6 real estate agents reported unusual transactions, and in 2012, there were no fewer than 23 reporting entities, of whom 21 were new. FIU-the Netherlands is very pleased with this development. The supervisory visits by BHM, the information activities carried out by FIU-the Netherlands, and the cooperation of the professional associations of real estate agents have apparently had effect. In addition, FIU-the Netherlands, together with the supervisory authority and the professional associations, published a new information sheet with practical examples and clear money laundering indicators for real estate agents, which was distributed among the members of the professional organizations.

The number of reports by civil law notaries increased by approximately 23%. This increase can be attributed to two notaries' offices which, in response to a visit from their supervisory authority, the Financial Supervision Office (BFT), reported a total of 187 unusual transactions to FIU-the Netherlands. FIU-the Netherlands was able to report almost half of these to the investigative authorities in 2012. More civil law notaries reported transactions in 2012 than in the previous years (refer to Table 20).

FIU-the Netherlands organized a seminar for the trust companies, and in 2011 a new information sheet was issued for this reporting group. In 2012 new reporting entities within this category reported to the FIU-the Netherlands. Table 19 shows that the number of reports by trust companies increased from 26 to 38. However, a large part of the reports came from the same reporting entity and concerned the same subjects.

Due to changes in the Trust Offices (Supervision) Act (Wtt), just providing a business address in combination with reception services is no longer subject to this Act. This may give rise to a displacement effect, so that services will be sought from other institutions that have the duty to report under the Anti-Money Laundering and Counter-Terrorist Financing Act, such as administration offices, tax consultants and multitenant business buildings. This last-named reporting group can provide a business address to Dutch or foreign persons, entities or companies by means of a postal address. The administration offices and tax consultants can, for example, be instructed to make payments on behalf of these Dutch or foreign persons, entities or companies, to incorporate Dutch or foreign companies or to complete the corporate tax return. It is important that administration offices and tax consultants are aware that they can be approached for rendering these services.

In 2012, FIU-the Netherlands received 71 reports from 20 different administration offices. This is a considerable increase compared to the preceding years. The reports from the administration offices often concerned the same subject.

FIU-the Netherlands analyses all transactions reported by the independent professions, after the standard matching with police data, even if this matching yields no hits. In 2012, 391 transactions were declared suspicious (see Table 19), which means a 35% increase compared to 2011. The proportion of reports by notaries and accountants is largest within the suspicious transactions, but this is not surprising as these are the largest reporting groups. The amount involved in the completed suspicious transactions rose from 150 million euros to 155 million euros in 2012, as Table 21 shows. Intended transactions are disregarded here, because these did not actually occur. This does not imply any lesser 'operational value'. On the contrary, reports of intended transactions can provide FIU-the Netherlands with relevant information about a subject's intentions and therefore about the unusual nature of the transaction.

Table 21: Total amount in euros involved in completed suspicious transactions reported by the independent professions in 2010-2012

	2010	2011	2012
Sector	**Amount in euros**	**Amount in euros**	**Amount in euros**
Accountants	357,737,000	40,805,000	94,598,000
Administration offices	0	0	1,259,000
Lawyers	61,301,000	5,554,000	1,042,000
Corporate financial consultants	1,029,000	290,000	19,000
Tax consultants	6,545,000	704,000	235,000
Real estate agents	0	19,000	8,170,000
Civil-law notaries	132,406,000	67,685,000	41,180,000
Independent legal consultants	0	0	0
Trust companies	751,000	35,060,000	9,174,000
Total	**559,771,000**	**150,117,000**	**155,677,000**

Most suspicious transactions from independent professions were forwarded on the basis of the FIU's own investigations (51%). The VROS matching is the second most frequent reason for forwarding (43%). In 2012, in particular many notaries' reports were forwarded on the basis of the VROS matching.

As can be deduced from Table 19, 35% more transactions reported by accountants were declared suspicious in 2012. The total amount involved in the completed suspicious transactions reported by accountants also increased considerably (130%) due to a large file representing 50 million Euros. The accounting firm noted an unusual transaction pattern, an issue it subsequently raised with the client. When no acceptable explanation was given, the accounting firm terminated the contract with this client. Several reports show that firms terminated contracts in an early phase and subsequently reported the intended transactions as unusual to FIU-the Netherlands.

In 2012, 248 transactions reported by notaries were declared suspicious, compared to 199 transactions in the preceding year. However, the total amount involved in these suspicious transactions was smaller than in 2010-2011. The average amount of completed transactions reported by notaries was about 265,000 Euros.

The suspicious transactions reported by trust companies rose to 10, but these transactions chiefly concerned the same subject. The total amount of transactions in 2012 was considerably lower than in the preceding year. The peak in 2011 was caused by an extensive file representing 35 million euros, which concerned outstanding loans within a company that had an untransparent structure.

7.3.5 Government agencies

The unusual transactions reported by government agencies come from Customs and the Tax and Customs Administration and FIOD. Since 2007, pursuant to the European regulation 1889/2005, persons entering or leaving the European Union have been obliged to declare liquid assets amounting to 10,000 Euros or more to the Customs authorities. The term 'liquid assets' comprises, among other things, cash and shares or cheques to bearer. Customs makes these declarations of liquid assets available to FIU-the Netherlands. [31]/ In addition, FIU-the Netherlands receives reports made by Customs on the basis of its right to report. These concern e.g. the import, export and transit of goods such as precious metals, diamonds and jewels and transport of money within the EU. In this annual report, FIU-the Netherlands made a distinction between these two kinds of reports by Customs.

[31]/ The key figures presented may not be consistent with the statistics in the Customs' annual report on liquid assets, because FIU-the Netherlands records each financial act in a declaration as a separate transaction, whereas Customs considers these as one declaration of liquid assets. For instance, if a traveller declares the export of British pounds and euros, FIU-the Netherlands registers this as two transactions, whereas it is one declaration for Customs.

Table 22: Unusual and suspicious transactions reported by the government sector in 2010-2012

	2010		2011		2012	
Sector	**Unusual**	**Suspicious**	**Unusual**	**Suspicious**	**Unusual**	**Suspicious**
Customs – Declarations of liquid assets	3.127	58	4.105	55	6.278	171
Customs – Other	154	32	157	17	431	29
Tax and Customs Administration / FIOD	37	23	25	14	58	16
Total	**3.319**	**113**	**4.287**	**86**	**6.767**	**216**

There is a considerable increase in all reporting sectors (Table 22). For instance, the absolute total of declarations of liquid assets (Regulation 1889/2005) increased by almost 53%. This increase is mainly due to the fact that more reports of import, export and transit were made in seaports. Whereas about 765 of such reports were received in 2011, their number has grown to 1,920 in 2012. The number of declarations in airports increased by more than 30%. This increase is probably connected with travellers' increased awareness of the duty to declare these assets.

The number of suspicious transactions also rose in 2012, to 216. The most important reason for forwarding Customs reports was the VROS matching. In addition, many transactions were forwarded on the basis of an LOvJ request.

Table 23: Transport of cash money in 2010-2012

Kind of report	2010	2011	2012
Cash export from the Netherlands	806	1,149	2,801
Cash transit in the Netherlands	931	1,130	1,096
Cash import into the Netherlands	1,390	1,826	2,381
Total	**3,127**	**4,105**	**6,278**

The reports of export of cash increased most in 2012, as is shown in Table 23. This is linked to the increase in the number of declarations in seaports. These declarations concerned the export of cash in 80% of cases.

Customs states that it does not perceive any money laundering risks in maritime declarations, made chiefly by shipping companies and shipping agents. Therefore hardly any verification of these declarations take place. For this reason, FIU-the Netherlands disregarded these transactions in the import, export and transit statistics.
For the purpose of charting the countries of origin and the destination countries, therefore only the declaration forms submitted at airports are included. Tables 24, 25 and 26 present a top 5 of the countries of origin of the import and transit of cash and the destination countries of export of cash at airports.

Table 24: Top 5 of countries of origin of cash imported into the Netherlands at airports in 2012

Rank	Origin	Number	Total amount	Mean amount
1	Nigeria	386	45,484,000	117,835
2	Ghana	234	8,530,000	36,453
3	Egypt	213	7,353,000	34,522
4	Georgia	155	2,632,000	16,979
5	Libya	153	6,352,000	41,516

Table 25: Top 5 of itineraries of cash transit through Dutch airports in 2012

Rank	Itinerary	Number	Total amount	Mean amount
1	Nigeria-the Netherlands -Germany	169	8,253,000	48,834
2	Nigeria-the Netherlands -Belgium	64	1,720,000	26,873
3	Ghana-the Netherlands -Germany	49	2,888,000	58,944
4	Ghana-the Netherlands -South Korea	25	728,000	29,109
5	Ghana-the Netherlands –United Kingdom	18	320,000	17,758

Table 26: Top 5 of countries of destination of exports of cash from airports in the Netherlands in 2012

Rank	Destination	Number	Total amount	Mean amount
1	Turkey	287	4,761,000	16,588
2	Morocco	153	2,056,000	13,439
3	China	84	1,729,000	20,584
4	Thailand	79	1,291,000	16,342
5	Suriname	55	779,000	14,163

As in the preceding years, Nigeria, Ghana and Egypt belonged to the top 5 of countries of origin from which cash was imported into the Netherlands. Customs [32]/ stated that the travellers from Nigeria and Ghana declared that they chiefly carried cash for the trade in trucks and cars or for buying car parts in the Netherlands (Table 24), or for the transit to other countries (Table 25). The declared money imported from Georgia, which has risen sharply in the past few years, is usually also meant for the car trade, according to declarations made by passengers. It is used for buying second-hand cars in the Netherlands. It is not easy to check if these purchases are actually made in the Netherlands.

Due to the new political situation in Libya, the number of declarations of import of cash had declined considerably some time ago, but the country was in position 5 in 2012. FIU-the Netherlands is investigating the cause and any potentially criminal nature of this flow of funds. Turkey, with 96 declarations, falls just outside the top 5, but the total amount of money imported from Turkey (about 2.8 million Euros) exceeded the amount imported from Georgia. The average amount of 34,576 Euros, which was carried in cash from the United Arab Emirates, is also worth mentioning. There were 51 declarations of cash imported from this country.

From the Netherlands, most cash amounts of 10,000 Euros or more were exported to Turkey, Morocco, China, Thailand and Suriname. The export of cash to these destination countries can chiefly be explained from the fact that many migrants carry money to their country of origin. The cash money flow to Thailand is linked with the purchase of real estate property in this country, as is borne out by Customs documentation. [33]/

32/ Source: Annual report on liquid assets 2011

33/ Source: Annual report on liquid assets 2011

8

8 Case Examples

Hungarian-Dutch success in combating internet banking fraud I

On a Friday afternoon in June 2012, FIU-the Netherlands was informed by the Hungarian FIU about a suspicious funds transfer from a Dutch bank account. The Hungarian FIU found the incoming transaction so suspicious that it used its authority to freeze the balance of the account concerned. The Hungarian FIU was able to freeze the amount, more than 13,000 Euros in the Hungarian bank until the following Monday and requested FIU-the Netherlands to conduct a closer investigation.

FIU-the Netherlands found that internet banking fraud had been reported to the regional police in Groningen. While the account holder was internet banking three days before, fraudsters managed to obtain a log-on code. There was seemingly a malfunctioning, and a short time later it appeared that 13,000 Euros had been transferred from the account to a foreign account.

FIU-the Netherlands and the Hungarian FIU coached the procedure that the competent authorities of the two countries had to follow, after which the frozen money was officially seized at the request of the Dutch authorities on Sunday afternoon. Fast acting by all parties involved prevented the money from ending up in the hands of the fraudsters.

Hungarian-Dutch success in combating internet banking fraud II

On 6 December 2012, the amount of 50,000 Euros was transferred to a corporate bank account in a Hungarian bank. The next morning, a person with authorized access to the account withdrew 23,000 Euros in cash. The Hungarian bank did not trust the matter and informed the Hungarian FIU.

Subsequently, the Hungarian FIU froze the account balance and, after conducting its own investigation, asked FIU-the Netherlands to quickly investigate the transfer of funds from the Netherlands. The same day, FIU-the Netherlands found out that this concerned phishing, of which a company in Gouda, the Netherlands, had become a victim.

Next, FIU-the Netherlands contacted the Hollands-Midden regional police force in order to realize a judicial follow-up quickly. The term of freezing by the Hungarian FIU was to end the next morning at 08:00 hours, which would allow the fraudsters to withdraw the balance. The same day, the Public Prosecutor's Office, supported by the financial and economic crime team of the Hollands-Midden regional police, ensured that the Hungarian judicial authorities received an MLA request asking for official seizure of the balance. This could be realized in time in Hungary, so that the 27,000 Euros was safe from the fraudsters.

Civil-law notary sees through attempt at fraud and reports intended transaction

In 2012, a civil-law notary received an unusual request to execute a deed. The deed concerned the purchase of an investment property worth several millions of euros. The purchaser's estate agent submitted a purchase agreement and asked the notary to handle the transfer of the property. Both the buying and the selling party had not been clients of the notary before.

The notary considered the situation so odd that he requested additional information from the estate agent, who said that the notary had been chosen because he had not had dealings with either the buyer or the seller before. The notary, not satisfied with the explanation, asked the purchaser's contact details. When, after many attempts, the notary managed to contact the buyer by telephone, he was referred to an advisor of the purchaser, whom he was unable to contact. In addition, the notary detected that the information given was not in accordance with the Land Registry's information. Subsequently, the notary refused to provide his services and reported the intended transaction to FIU-the Netherlands.

Investigation by FIU-the Netherlands proved that the notary's suspicions were justified. The purchaser had been arrested several times for fraud, forgery and misappropriation of funds. The attempt at fraud had not progressed sufficiently to warrant successful prosecution, but the report was shared with investigative authorities, who obtained a better insight into the extent of the purchaser's fraudulent activities. Incidentally, the selling party had also been in contact with the law before.

Support for criminal investigation into fraudulent entrepreneur

The financial and economic crime team had conducted an investigation into an entrepreneur who was suspected of fraud. Several companies had gone into liquidation and investigations showed that the suspect had removed the remaining assets from the endangered companies just before the liquidation, and used them for private purposes.

In the same period, the suspect introduced a new enterprise, promising spectacular profits. Investors could join by investing at least 100,000 Euros. This yielded a few million euros from investors. However, the investigation team found out that the suspect spent the amount collected chiefly on private purchases, instead of investing it in business activities.

At the request of the investigation team, FIU-the Netherlands conducted an investigation on the basis of its database of unusual transactions and found deposits in debit cards totalling several tens of thousands of euros. The reported transactions were incorporated into the evidence and they formed a substantiation of the claim that the suspect had illegally benefited himself at the expense of creditors and had therefore misled investors.

FIU's own investigations indicative of money laundering through a front

Within a period of two years, a man sent money through money transfer companies to a few payees in a Mediterranean country about twenty times. The transfers totalled more than 50,000 Euros. The combination of transactions drew FIU-the Netherlands' attention. A closer analysis showed that the man had flown to the country concerned twice in the same period, carrying 10,000 Euros and 13,000 Euros respectively in cash.

The man had no legitimate private assets and supposedly lived at supplementary benefit level. This gave rise to the suspicion that the man carried out transactions for other parties in order to protect the identity of the real payers. This formed a reason for FIU-the Netherlands to declare the transactions suspicious and to make them available to the investigating services.

FIU-the Netherlands furnishing proof against pickpockets

In the summer of 2012, a woman became the victim of two pickpockets, who, by using a distraction con, managed to steal her purse. The pickpockets were recorded by a CCTV camera a moment later, when they used the victim's bank card to withdraw money. The detectives in charge of the investigation posted images of the suspects on the police intranet, after which a detective elsewhere in the country recognized the suspects, who were subsequently arrested.

Now that the identity of the pickpockets was known, the database of FIU-the Netherlands could be searched for possible transaction information in respect of he suspects. It turned out that the suspects could be linked to transactions totalling more than 100,000 Euros. In addition, the analysis by FIU-the Netherlands discovered a network of contacts around the suspects. The transactions and the information about the suspects' network were made available to the investigating team.
By providing this information, FIU-the Netherlands contributed to the evidence concerning the number of financial activities of the suspects and provided insight into the relationships with a network of pickpockets of the same nationality.

Fraud with donations to a charitable institution

A certain foundation organized a grand event to raise funds every year. The aim of this event was to pay for treatment methods for children suffering from serious illnesses. This large event had been an enormous success for years and many millions of euros were collected annually.

However, an administrator of the foundation had been committing fraud for two years, transferring almost 650,000 Euros to his own account. He had set up a scheme in which he used forged invoices for services that were never provided and he manipulated bank statements to conceal his embezzlement in the records.

However, the foundation's external accountant detected the irregularities and disclosed the fraud. The foundation immediately suspended the administrator and reported the case to the police. At the same time, the external accountant reported the fraudulent transactions to FIU-the Netherlands. The transactions were charted, declared suspicious and made available to the investigating team. The records of the criminal case were put at the disposal of the judicial authorities.

Bankruptcy fraud I

A shopkeeper had had problems in keeping his business running for years, but was unable to prevent bankruptcy in the end. Suppliers, the tax authorities, and other creditors came away empty-handed.

The man and his wife seemed to be entirely bankrupt, until a number of unusual transactions were reported to FIU-the Netherlands years later. The man had apparently kept cash out of reach of creditors and the tax authorities, for he suddenly deposited more than 100,000 Euros in a bank account three years after the downfall of his business. The remarkable relationship between the deposits and the bankrupt's previous history was investigated by FIU-the Netherlands, after which the file was declared suspicious, and an investigation against the man was started.

Bankruptcy fraud II

A business had been banking with a Dutch banking institution for years. The banking transactions were virtually all funds transfers, until an amount of more than 20,000 Euros in cash was withdrawn at some point in time.

This was untypical for the business and the sector in which it was active. The accountant, who noticed the cash withdrawal during the financial audit, asked for an explanation. The withdrawal appeared to have been accounted for in the financial administration as spent on smartphones for the employees of the business. The manager of the business said that he had placed the order and that he could acquire the newest generation of smartphones, but that the supplier of the phones required that the invoice be paid in cash, which was done.

Analysis of the invoice in the accounts showed that a number of essential data were lacking, for example, the supplier's VAT number and Chamber of Commerce registration. This was enough reason for the accountant to report these findings to FIU-the Netherlands. Investigations showed that the supplier was adjudicated bankrupt fourteen days after the sale of the smart phones, so, at the time of the sale, the supplier knew that he would go bankrupt soon. In view of these findings, it was probable that the invoice had been kept out of the regular accounts and that the cash payment had not been included in the financial administration. This, in fact, proved to be a case of bankruptcy fraud, and the file was transferred to an investigation service, which will contact the receiver in this bankruptcy case.

'Advance fee fraud': inheritance from Nigeria

Three Dutch victims had each been approached by a party who told them a splendid tale about an inheritance abroad. However, they first had to transfer money in order for the inheritance to be released. The prospect of an ample benefit made them decide to transfer the costs they were asked to pay. When they received the message that something unexpected had happened, due to which an extra amount had to be paid, they complied with the request. In this way, several transfers were made, partly to a bank account in Belgium, and partly by money transfers to Nigeria. Again and again, the fraudsters managed to swindle their victims out of money, now under the pretext of banking expenses, now under the pretext of expenses of a different nature. Because the victims had invested quite some money in the course of time, they were afraid to lose all their money and so they kept paying.

Investigation by FIU-the Netherlands yielded an overview of 22 money transfers to three Nigerian persons, who had received more than 65,000 Euros from the three victims. The perpetrators had used false identities and had vanished with the money.

Consultations with the Belgian FIU, the CTIF-CFI, showed that Belgian victims had been tricked with the same story. They too had paid money into the above-mentioned bank account in Belgium. The federal police had started an investigation there. The account holder was an accomplice: he had repeatedly withdrawn the money transferred and sent it to beneficiaries in Nigeria by money transfer.

The Dutch transaction information was declared suspicious and put at the disposal of the Public Prosecutor's Office. This enabled the Belgian judicial authorities to issue a formal request for the information and to include it as evidence in their criminal files on the Belgian accomplice.

Illegal commercial practices abroad

A reported foreign exchange transaction amounting to several thousand euros in a Scandinavian currency and a money transfer to the Netherlands by one and the same Scandinavian man induced FIU-the Netherlands to make a more detailed analysis. FIU-the Netherlands used its international network to request assistance from the FIU in the country concerned and ask them to conduct an investigation into the man's business activities in order to find out if the transactions could be explained on the basis of these activities.

In respect of the foreign exchange transaction, the reporting financial institution had asked the man about the origin of the money and the reason for the exchange transaction. The man stated that it concerned a commercial credit. In fact, the transactions were connected with business activities, but these proved to be illegal: three months after the transactions he was arrested in his own country carrying 11.5 kilograms of soft drugs. The information was made available to the FIU concerned and permission was given to share it with the investigation service dealing with the case in that country. The investigative team used the information from FIU-the Netherlands in their investigation.

Lucrative cannabis cultivation

In February 2012, police in the east of the Netherlands received a report on assault. Soon, it became clear that the person who had reported the crime and the suspect had fallen out about their joint activities in cannabis cultivation. The police were called in after the assault. A report was drawn up about the assault, but a cannabis farm was also detected during the investigations. Subsequently, a few house searches were made, in which several tens of thousand of euros in cash were found.

Both persons involved were interrogated about the money found, their financial dealings and their income from cannabis growing. Their statements were not corroborated by the financial investigator's findings. This also applied to the cash purchase of a car that had been reported to FIU-the Netherlands. The financial investigations will soon be finalized and the purchase of the car will be used to help calculating the proceeds from crime. It is a hard fact, which will make it easier to confiscate the assets seized.

Appendix I Important abbreviations

AIVD	Algemene Inlichtingen- en veiligheidsdienst (General Intelligence and Security Service)
AFM	Autoriteit Financiële Markten (Netherlands Authority for the Financial Markets)
BES	The BES islands of the Caribbean Netherlands: Bonaire, Sint Eustatius and Saba
BFT	Bureau Financieel Toezicht (Financial Supervision Office)
BHM	Belastingdienst Holland-Midden/Unit MOT (Tax and Customs Administration Holland-Midden/ MOT Unit)
BIBOB	Bevordering integriteitbeoordelingen door het openbaar bestuur (Public Administration (Probity Screening Act)
BOOM	Bureau Ontnemingswetgeving Openbaar Ministerie (Prosecution Service Criminal Assets Deprivation Bureau)
BVA	Beveiligingsambtenaar (Security officer)
CIE	Criminele Inlichtingen Eenheid (Criminal Intelligence Unit)
CJIB	Centraal Justitieel Incasso Bureau (Central Fine Collection Agency)
CN	The Caribbean Netherlands
CT&PF	Counterterrorism and Proliferation Financing
CT-Infobox	Counterterrorism Infobox
DNB	De Nederlandsche Bank (Dutch Central Bank)
DNR	Dienst Nationale Recherche (National Crime Squad, a division of the KLPD)
ESW	Egmont Secure Web
FATF	Financial Action Task Force
FEC	Financieel Expertise Centrum
FIET	Flexibel Intelligence & Expertise Team
FinEC	Programma Financieel Economische Criminaliteit (Financial and Economic Crime Programme)
FIOD	Fiscale Inlichtingen- en Opsporingsdienst (Fiscal Intelligence and Investigation Service)
GoAML	ICT application made specifically for FIUs by the ITS department of UNODC
i-COV	Infobox Crimineel en Onverklaarbaar Vermogen (Infobox Criminal and Inexplicable Assets)
IND	Immigratie- en Naturalisatiedienst (Immigration and Naturalization Service)
KLPD	Korps landelijke politiediensten (Netherlands Police Agency)
KMar	Koninklijke Marechaussee (Royal Netherlands Marechaussee)
KPCN	Korps Politie Caribisch Nederland (Caribbean Netherlands Police Force)
KvK	Kamer van Koophandel (Chamber of Commerce)
LOvJ	Landelijk officier van Justitie (National Public Prosecutor / National Public Prosecutor's Office)

MFA	Meld Formulier Applicatie (Reporting Form Application)
MOT	Meldpunt Ongebruikelijke Transacties (Office for the Disclosure of Unusual Transactions)
MOU	Memorandum of Understanding
MRO	Melding Recherche Onderzoek (Notification of Criminal Investigation)
NDB	Nationaal Dreigingsbeeld (National Threat Assessment)
NVB	Nederlandse Vereniging van Banken (Netherlands Bankers' Association)
NVM	Nederlandse Vereniging van Makelaars o.g. en Vastgoeddeskundigen (Dutch Association of Real Estate Brokers and Real Estate Experts)
OM	Openbaar Ministerie (Public Prosecution Service)
OOV	Openbare Orde en Veiligheid (Public Order and Safety)
OpWG	Operational Working Group of the Egmont Group
OT	Ongebruikelijke transactie (Unusual transaction)
RIEC	Regionaal Informatie en Expertise Centrum (Regional Information and Expertise Centre)
SW	Sanctiewet (Sanctions Act)
SZW	Inspectie van het Ministerie van Sociale Zaken en Werkgelegenheid (Social Affairs and Employment Inspectorate)
TFTP	Terrorist Finance Tracking Programme
TRACK	Toezicht Rechtspersonen, Analyse, Controle en Kennisgeving (Supervision of Entities, Analysis, Inspection and Notification)
UNODC	United Nations Office on Drugs and Crime
VBO Makelaar	Association of Estate Agents in the Netherlands
VIC	Vastgoed Intelligence Centre (Real Estate Intelligence Centre)
VKC	Vastgoed Kennis Centrum (Real Estate Knowledge Centre)
VROS	Verwijzingsindex Recherche Onderzoeken en Subjecten (Index of Criminal Investigations and Subjects)
VT	Verdachte transactie (Suspicious transaction)
VtsPN	Voorziening tot Samenwerking Politie Nederland (Netherlands Police Collaboration Facility)
Wft	Wet op het financieel toezicht (Financial Supervision Act)
Wtt	Wet toezicht trustkantoren (Trust Offices (Supervision) Act)
Wwft	Wet ter voorkoming van witwassen en financieren van terrorisme (Anti-Money Laundering and Counter-Terrorist Financing Act)
Wwft BES	Wet ter voorkoming van witwassen en financieren van terrorisme BES (Anti-Money Laundering and Counter-Terrorist Financing Act BES)

Colophon

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