

# “IMPORTANCE OF THE FIU”

PRESENTATION BY

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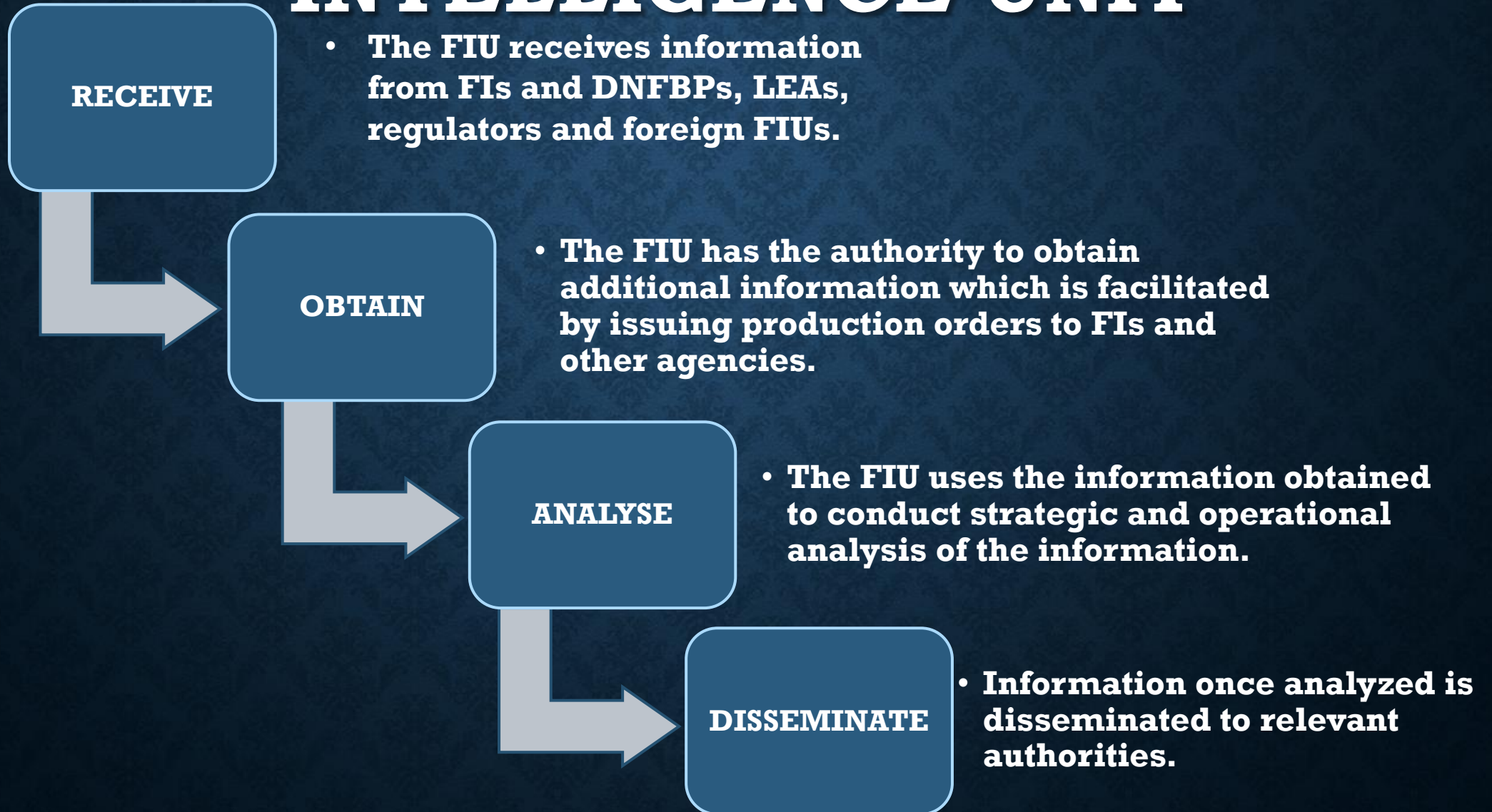
**Compliance Commission of The Bahamas**

27 April 2023

Poinciana House

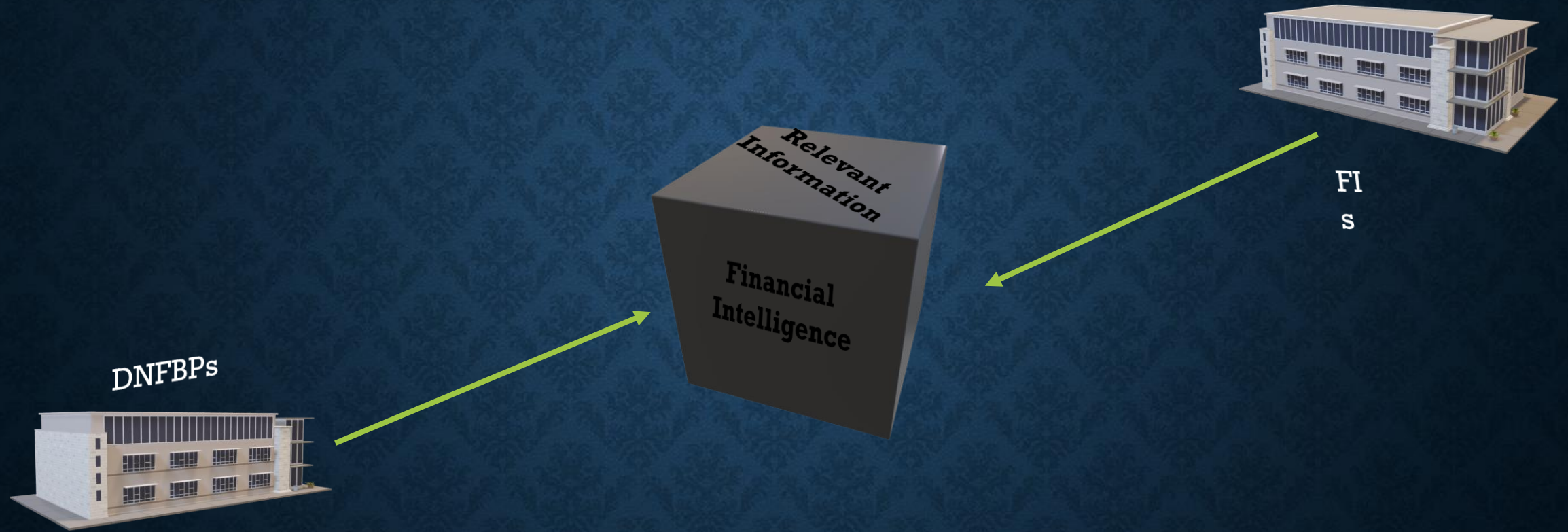


# ROLE OF THE FINANCIAL INTELLIGENCE UNIT





# FINANCIAL AND RELEVANT INFORMATION



# **OBLIGATION TO REPORT SUSPICIOUS TRANSACTIONS**

- Any person who conducts or seeks to conduct any transaction by, through or with a financial institution (whether or not the transaction or proposed transaction involves cash) and the FI knows suspects or has reasonable grounds to suspect that the transaction or proposed transaction :-
  - i. involves the proceeds of criminal conduct as defined under the POCA
  - ii. is related to an offence under the POCA
  - iii. is attempted to avoid the enforcement of any provision of the POCA or
  - iv. is an identified risk
- The FI shall as soon as practicable after forming the suspicion report the transaction or proposed transaction to the FIU.



## **OTHER STR OBLIGATIONS S7(8) AND (9) FTRA**

If a FI forms a suspicion that a transaction relates to an identified risk the FI shall take into account, the risk of tipping off when performing the CDD measures.

Where the FI reasonably believes that performing the CDD measures will tip off the facility holder or potential facility holder, it may choose not to pursue those measures and shall file a STR.

# AUDITORS TO REPORT SUSPICIOUS TRANSACTIONS – S. 26 FTRA, 2018

- Notwithstanding any other law, any person who, in the course of carrying out the duties of that person's occupation as an auditor, has reasonable grounds to suspect, in relation to any transaction, that the transaction is or may be relevant to the enforcement of the Proceeds of Crime Act, shall report that transaction to the Financial Intelligence Unit.





# **SUSPICIOUS TRANSACTION REPORTING UNDER SECTION 49,ATA**

Places an obligation on an FI to file a STR where there is knowledge or reasonable grounds to suspect that funds in an FI belongs to an individual or legal entity who commits terrorist acts or facilitates the commission of those acts.

STRs are to be filed where an FI knows or has reasonable grounds to suspect that funds are linked to terrorism, terrorist acts, terrorist organizations or those who finance terrorism.



## WHAT IS SUSPICION?

- Personal and subjective
- Falls far from proof based on evidence but must be more than mere speculation
- Usual and inconsistent with a customer profile



# REPORTING A SUSPICIOUS TRANSACTION

## Facts

- Is any event, action or occurrence or element that exists or is known to have happened or existed
- It cannot be an opinion
- Who, What, Where, When and Why

## Context

- Clarifies the incidences, explains the situation or the transaction
- Use circumstances surrounding the transaction to understand its context

# **PENALTIES FOR FAILURE TO REPORT SUSPICIOUS TRANSACTION (S. 49 FTRA)**

- A financial institution which intentionally fails to submit a report to the Financial Intelligence Unit as required by the Act commits a summary offence and is liable to imprisonment for a term of up to five years or a fine of up to \$500,000.00.
- Regulators also have administrative penalties for any failures under the FTRA.





# REPORTING CHAIN



Employee



MLRO – must be  
registered with the  
FIU



FIU



**Loose lips sink ships –**

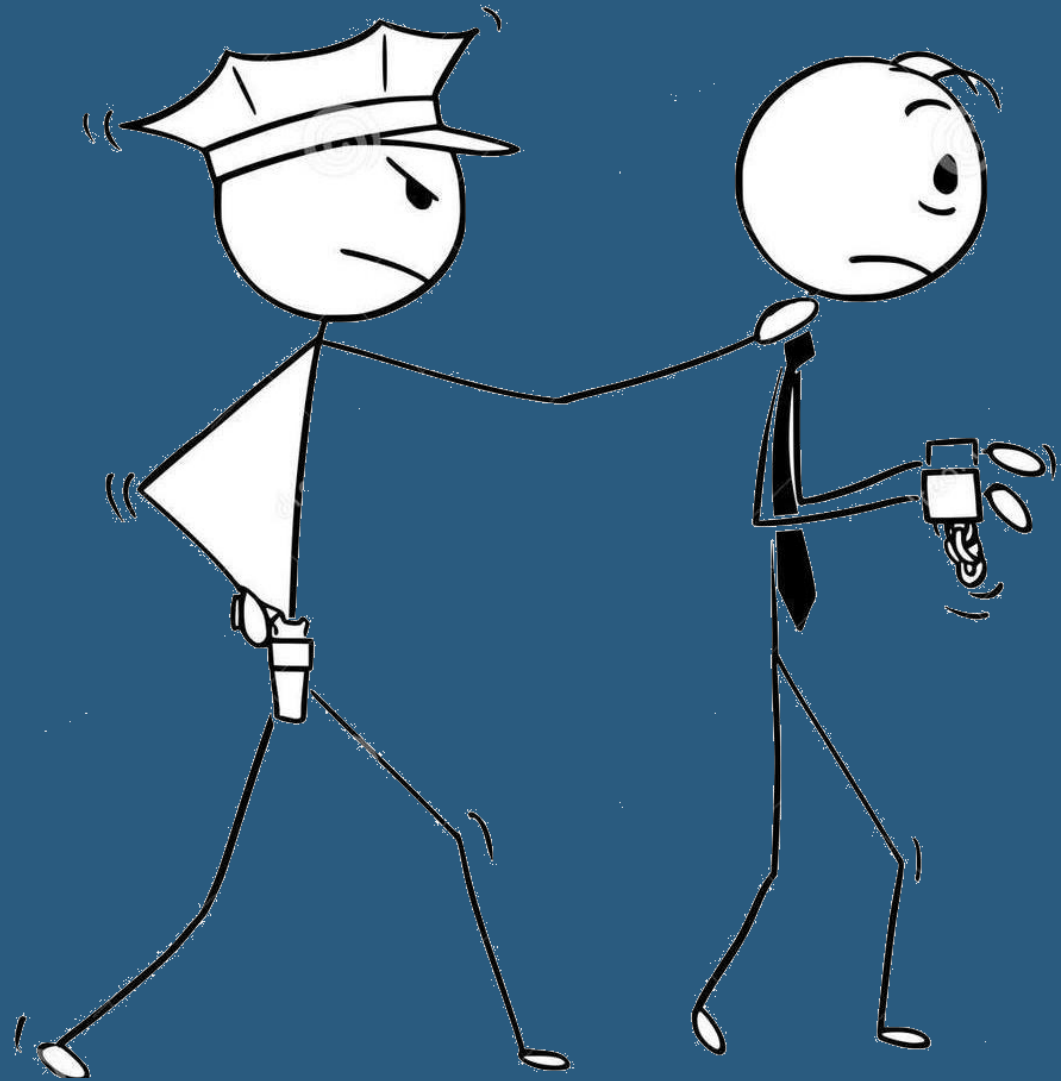
## **“TIPPING OFF”**

- An offence of tipping off is defined under s.30 of the FTRB.
- A person commits an offence if he knows or suspects that any disclosure relating to a suspicious transaction has been made and if he makes a disclosure relating to the suspicious transaction which is likely to prejudice any investigation which might be conducted following the disclosure .



# PENALTIES FOR TIPPING OFF

- A person found guilty of a tipping off offence shall be liable on summary conviction to imprisonment for a term not exceeding twelve years or to a fine not exceeding of \$500,000 or both or conviction on information to imprisonment for a term not exceeding twenty years or a fine or both.





## THE FINANCIAL INTELLIGENCE UNIT

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**FIU Reference: ADV/001/2021**

**Wednesday, 16 June 2021**

### PUBLIC ADVISORY REAL ESTATE SCAM

The Financial Intelligence Unit of The Bahamas ("FIU") would like to advise local Financial Institutions, Law Firms, and Real Estate Agents to exercise caution in the customer onboarding process that communicate strictly via e-mail regarding real estate purchases.

The FIU has noticed an increase in Suspicious Transaction Reports ("STRs") from several institutions who reported that they were contacted by an individual seeking representation or assistance with real estate purchases in various islands of The Bahamas. However, once the process commenced, it was revealed that all documents received from the individual were fraudulent. The identity of the perpetrator is unknown; however, the following aliases were used:

Alias 1:	Andrew Franklin
Alias 2:	Franklin Andrew
Alias 3:	Frank Andrews
Alias 4:	Frank Andrew

# REAL ESTATE FRAUD




# STRS RECEIVED – DNFBP SECTOR

Institution	2018	2019	2020	2021
Law Firms	4	5	4	6
Real Estate Agents/Brokers	1	2	0	3
Accountants	1	0	0	2
Total	6	7	4	11


Total STRs Received by Year			
2018	2019	2020	2021
540	525	663	707







Questions



Answers

