



**FINANCIAL INTELLIGENCE UNIT**

**ANNUAL  
REPORT  
2023**

THE  
**BAHAMAS**  
ONE NATION · OUR FUTURE · OUR LEGACY



## MISSION STATEMENT

“To proactively network with local law enforcement, regulators and international counterparts to effectively assist in detecting, assessing and eradicating all threats of money laundering and financing of terrorism to the global economy.”

## VISION STATEMENT

“To have a robust, dynamic and exemplary financial service industry, free from the scourge of money laundering, terrorist financing, frauds and other criminal conduct.”



## THE FINANCIAL INTELLIGENCE UNIT

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June 28th, 2024

The Honourable Philip Edward Davis, KC, MP  
Prime Minister and Minister of Finance  
Ministry of Finance  
Cecil Wallace-Whitfield Centre  
West Bay Street  
Nassau, N.P., The Bahamas

Dear Hon., Prime Minister,

### **2023 Annual Report and Audited Financial Statements**

I am pleased to submit the Annual Report and the accompanying Audited Financial Statements of the Financial Intelligence Unit (FIU), for the period covering January 1st to December 31st, 2023, in accordance with Sections 10(b) and 13(3) of the Financial Intelligence Unit Act, Chapter 367 of the Statute Laws of the Commonwealth of the Bahamas.

This report provides a comprehensive overview of FIU's activities, achievements, and financial performance over the past year. It reflects our continued commitment to excellence and our steadfast efforts to enhance the integrity and stability of the financial system in The Bahamas.

Yours sincerely,

**Emrick K. Seymour Sr., CM, KPM**  
**Director**  
**Financial Intelligence Unit (FIU)**



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## DIRECTOR'S MESSAGE

As we reflect on the accomplishments and challenges of the past year, it is with great pride and honor that I present the 2023 Annual Report and the Audited Financial Statements for the Financial Intelligence Unit (FIU).

Despite facing various resistances and obstacles throughout the year, the FIU has remained steadfast in its commitment to fulfilling its statutory duties and obligations. We have persevered and continued to uphold the highest standards of integrity and professionalism in our endeavors. Our dedication to combating financial crimes and ensuring compliance with international standards remained unwavering.

The year in review has been marked by significant achievements, driven by the diligent efforts of the FIU team and the steadfast support of the Government The Bahamas.

A key milestone was the relocation of the FIU office to a more suitable, spacious, and modern facility on East Bay Street. This move, after twenty-four years at the old location on Frederick Street represents a new chapter for the FIU. The new facility provides a fresh and more appropriate environment, enhancing operational efficiency and accessibility, and fostering improved esprit de corps within the team.

Another significant achievement this year was the Passage of the FIU Act 2023, which repealed the FIU Act 2000. This new Act enhances the FIU's ability to fulfill its statutory obligations more effectively and represents a major legislative milestone. Among its provisions, the new Act empowers the FIU to administer penalties to financial entities for non-compliance with production orders, thereby strengthening regulatory enforcement measures and increasing the FIU's leverage in ensuring adherence to regulatory requirements.

These momentous achievements have already begun to positively impact our operations and enhance our ability to safeguard the integrity of the Bahamas' financial system. The new office location and the passage of the FIU 2023 Act have strengthened our operational capacity and regulatory framework, contributing to a more effective and robust approach in addressing financial crimes and ensuring compliance.



Despite a decrease in the number of Suspicious Transaction Reports (STRs) filed during the year in review compared to previous years, we remained steadfast in our commitment to addressing financial misconduct. We continued to develop and refine strategies aimed at enhancing our efficiency and effectiveness in detecting and combating financial crimes.

In response to the evolving global landscape, we placed significant emphasis on the continuous training and retraining of FIU staff. This initiative-taking approach ensures that our team is equipped with the latest skills and knowledge necessary to tackle emerging threats and trends, uphold regulatory standards, and maintain international best practices.

I extend sincere appreciation to our valued industry partners, both locally and internationally, for their unwavering support and cooperation throughout the year. Their collaboration has been instrumental in our success, facilitating information sharing, joint initiatives, and the implementation of effective regulatory measures.

I commend the exceptional dedication of the FIU team, whose steadfast commitment and professionalism have been key in achieving our strategic objectives. Their tireless efforts have not only strengthened our operational capabilities but have also reinforced our mission to safeguard the financial ecosystem of the Bahamas.

Looking ahead, I reaffirm our dedicated commitment to continue playing an essential role in ensuring the integrity and stability of our jurisdiction's financial system. We remain dedicated to fostering a secure and transparent financial environment, which promotes investor confidence and sustainable economic growth.

As we anticipate future challenges, we are confident in our collective ability to navigate uncertainties and maintain our high standards of excellence. Together, with the ongoing support of our stakeholders, we will strive to uphold the highest standards of integrity and accountability in preserving the integrity of our financial sector.

Thank you for your continued trust, collaboration, and partnership!



# INTRODUCTION

As we embark on the retrospective journey through the year 2023, it is with great pleasure that we present to you the Annual Report of the Financial Intelligence Unit (FIU). The past year has been a testament to our unwavering commitment to excellence, innovation, and progress, as we delved into new frontiers and advanced our mission towards greater heights.

Throughout the year, the FIU saw remarkable achievements and significant milestones, which have propelled us towards our vision of becoming a guiding light in our industry. From groundbreaking projects to impactful collaborations, our resolute team showed resilience, creativity, and passion in tackling challenges head-on and turning them into opportunities for growth and success.

Amidst the accomplishments that marked the year, it is important to acknowledge the hurdles and obstacles that we met along the way. These challenges, though formidable, served as valuable lessons that sharpened our skills, tested our resolve, and inspired us to push beyond our limit. Through perseverance, teamwork, and adaptability, we navigated through turbulent waters and appeared stronger and more resilient and more determined than ever before.

In this Annual Report, we invite you to join us on a journey of reflections, celebrations and envisioning the future. We will delve into the key highlights that defined our Units' trajectory in 2023. Together we will uncover the stories behind the numbers, along with other positive strides made during the year in review.

## ENHANCED REGULATORY MEASURES

The financial sector is constantly evolving and with these changes comes the need for stronger regulatory measures to protect against vulnerabilities and close loopholes that can be exploited by malicious actors. In response to these challenges, the year in review has seen the introduction of the new FIU Act 2023, which repealed the FIU Act of 2000. The new Act introduces new regulations and policies designed to strengthen the financial sector and enhance its resilience.

Key aims of the FIU Act 2023 include:

- **Closing Loopholes:** Addressing gaps that could be exploited for illicit activity such as money laundering, terrorist financing, and other financial crimes.
- **Strengthening Compliance:** Introducing more stringent compliance requirements for financial institutions, including enhanced due diligence measures, reporting obligations, and monitoring mechanisms.



These measures aim to boost transparency and accountability within the financial sector.

- **Enhancing Information Sharing:** Emphasizing the importance of information sharing among financial institutions, regulatory authorities, and law enforcement agencies (LEAs). By facilitating the exchange of information, the legislation seeks to improve the detection and prevention of financial crimes.

The FIU Act 2023 represents a significant step forward in enhancing regulatory measures in the financial sector. By focusing on these key factors, the legislation aims to reduce vulnerabilities and safeguard the integrity of the financial system.

## **RELOCATION OF FIU HEADQUARTERS**

During the year in review, the FIU completed a significant milestone by relocating from its former office at Norfolk House, Frederick Street, where it had been based since its inception in December 2000, to its new location at Poinciana House, 31B Annex Building, 2nd Floor East Bay Street. This eagerly anticipated move occurred in August 2023, marks a new chapter in the FIU history providing an upgraded environment that better supports our operational needs and enhances our ability to serve the public and our stakeholders.

The new location provides improved working conditions, better facilities, and a more conducive environment for both staff and the public. This relocation has already led to increased productivity, boosted staff morale, and enhanced job satisfaction across all levels within the FIU, contributing significantly to the Unit's overall success.

## **COLLABORATION AND PARTNERSHIP**

Throughout the year in review, the FIU has achieved remarkable success by focusing on collaborations and partnerships at local, regional, and international levels. Through enhanced information sharing and recurring meetings with local partners, the FIU significantly improved its effectiveness in combating financial crimes and strengthening the integrity of the financial system.

Fostering a culture of collaboration has been instrumental in enabling the FIU to share critical intelligence and insights with its partners in real time. This collaborative approach allows for quicker responses to emerging threats and trends, significantly improving the overall effectiveness of financial crime prevention efforts.



## STRENGTHENING LOCAL PARTNERSHIPS

Regular meetings were held with local partners, including law enforcement agencies and regulatory bodies, which have significantly strengthened relationships and improved coordination in the fight against financial crimes.

These collaborative sessions provided a vital platform for discussing challenges, sharing best practices, and aligning strategies. Through these engagements, the FIU has enhanced its ability to respond swiftly and effectively to financial crime threats, ensuring that our efforts are well-coordinated and impactful.

In addition to engaging with regional and international partners, the FIU has expanded its reach and influence in the global fight against money laundering, terrorist financing and other financial crimes. Collaboration initiatives have yielded positive results and enhanced FIU's reputation as a trusted partner.

Thus, building strong relationships with its various stakeholders and using shared ability, the FIU has positioned itself as a leader in the fight against financing crime, fostering a safe and more resilient financial system for all.

## STAFF EXPANSION

During the year, the FIU benefited from an expansion of its staff complement. This strategic increase was crucial for enhancing operational efficiency and effectiveness in achieving the Unit's goals and objectives. New personnel were added to both the analytical and general operations teams, aimed at bolstering the FIU's capabilities.

The expansion included:

- **Analytical Team:** Strengthening the team's ability to conduct in-depth analysis of financial transactions and suspicious activities.
- **General Operations:** Improving the efficiency of day-to-day operations to better support financial crime prevention initiatives.

This staff expansion was designed to enhance the FIU's operational capacity and ensure a more robust response to financial crime challenges.

## CAPACITY BUILDING

A key highlight for the FIU in the year under review was its strong focus on capacity building. The FIU undertook various ongoing training and development programs to enhance the skills and knowledge of its staff and other sector stakeholders.



These initiatives were aimed at ensuring that all relevant personnel had the expertise needed to effectively combat financial crimes.

Key aspects of the capacity building efforts included:

- **Ongoing Training Programs:** Implemented to continuously upgrade staff skills and knowledge.
- **Collaborative Training Sessions:** Organized partnership with local and foreign entities, providing valuable learning opportunities from international experts in financial intelligence and combating money laundering and terrorism financing.

The emphasis on capacity building and collaboration with foreign partners highlights FIU's commitment to continuous improvement and strengthening its capabilities in the fight against financial crimes. This approach ensures that the FIU remains at the forefront of best practices and effectively addresses emerging challenges.

### **SUSPICIOUS TRANSACTION REPORT (STRs) FILINGS**

The FIU observed a decline in the number of Suspicious Transaction Reports (STR's) during the year compared to the previous year. Specifically:

- **2023:** 724 STR's reported
- **2022:** 908 STR's reported

This represents a 20.26% decrease in STR filings for the year in review.

Despite the decrease in STR's, the FIU remains diligent in evaluating these reports for current trends and typologies related to suspicious financial activities. This ongoing analysis is crucial for understanding emerging patterns and refining the Unit's strategies.

Additionally, the FIU received sixty-six (66) Foreign Agency Requests (FARs) concerning money laundering matters during the same period. This reflects a robust level of international cooperation in the fight against financial crimes.

Looking ahead, the FIU is committed to addressing emerging trends and challenges in the financial sector. Efforts will continue to enhance anti-money laundering and counterterrorist financing measures, ensuring effective responses to evolving threats.



## TECHNOLOGICAL ADVANCEMENT

During the reporting period, the FIU focused significantly on leveraging technological advancements to enhance its operational efficiency and effectiveness. Key initiatives included:

- **Addressing Crypto and Blockchain Technologies:** The FIU concentrated on tackling the challenges posed by emerging crypto and blockchain technologies. This involved acquiring specialized software applications and providing targeted training for staff. These steps were crucial for adapting to new financial technologies and improving the Unit's ability to monitor and secure transactions effectively.
- **Exploring Data Analytics and AI Tools:** The FIU will continue to explore, with a view to implementing data analytics and artificial intelligence (AI) tools. These technologies are essential for extracting valuable insights, enhancing decision-making processes, and streamlining operations. The use of advanced data analytics and AI will support the FIU's goal of maintaining operational excellence and regulatory efficiency.

By embracing innovative tools and techniques, the FIU will continue to strengthen its capabilities in monitoring financial activities and enhancing security measures. The commitment to integrating these technologies demonstrates the FIU's initiative-taking approach in addressing evolving challenges and maintaining high standards of effectiveness and efficiency.

## CONCLUSION

In conclusion, the FIU's 2023 Annual Report highlights a year of remarkable achievements and progress, underscoring our steadfast commitment and resilience amidst various challenges. Despite facing obstacles, our dedication to fulfilling our mission and responsibilities has remained resolute.

As you review this report, we encourage you to recognize the significant strides we have made, the unwavering commitment demonstrated, and the collaborative efforts that have defined the year.

We celebrate our successes, learn from our setbacks, and eagerly anticipate the opportunities for a brighter future.

Thank you for being an integral part of our journey.



# MANDATE OF THE FIU



# CHAPTER I.

## MANDATE

### ABOUT THE FINANCIAL INTELLIGENCE UNIT (FIU)

The Financial Intelligence Unit (FIU) is a quasi-governmental body responsible for collecting information on suspicious or irregular financial activities, within the financial sector and other obligated entities or professions, required to report transactions suspected of involvement in money laundering, terrorism financing, and proliferation financing. The FIU's role is crucial in ensuring that financial activities are monitored and analyzed to prevent and combat financial crimes effectively.

Established on December 29, 2000, by the Government of the Commonwealth of The Bahamas, the Financial Intelligence Unit (FIU) was instituted through the enactment of the Financial Intelligence Unit Act 2000 (FIUA). Operating under the FIUA, the FIU's primary functions include receiving, analyzing, obtaining, and disseminating information derived from suspicious transaction reports, with a particular focus on proceeds of crime, as outlined in the Proceeds of Crime Act (POCA) and the Anti-Terrorism Act (ATA).

The FIU has the authority to freeze accounts based on information received, or upon request from foreign financial intelligence units or law enforcement agencies, provided that the request pertains to proceeds from offenses specified under the FIUA.

The structure and staffing of the FIU are outlined in the FIUA. The Minister of Finance, who is responsible for the administration of the FIUA, appoints a Director (serving as the Chief Executive Officer), a Deputy Director, a Public Accountant, and a Legal Counsel, all in accordance with the Act. Additionally, the Minister, in consultation with the Director, may appoint multiple consultants to support the operations of the FIU.

As the Chief Executive Officer of the Financial Intelligence Unit (FIU), the Director has the authority to appoint both permanent and temporary staff and to engage public servants on secondment. Additionally, the Director is empowered to request the Commissioner of Police to provide suitably qualified officers from the Royal Bahamas Police Force to support the operational needs of the FIU. Currently, three police officers are appointed to support the FIU in this capacity.

### MANDATE OF THE FIU

The Financial Intelligence Unit (FIU) of The Bahamas was established as a statutory agency by parliamentary legislation on December 29, 2000. This official entity is entrusted with the responsibility of:



1. **Receiving** information related to suspicious or irregular financial activities from financial institutions and other obligated entities.
2. **Analysing** the collected data to identify patterns or indicators of money laundering, terrorism financing, and proliferation financing.
3. **Obtaining** additional information as needed to support investigations and assessments.
4. **Disseminating** relevant information and reports to law enforcement agencies and supervisory authorities for potential prosecution or further action.
5. **Fostering Collaboration** between the financial sector and law enforcement entities to enhance the effectiveness of financial crime prevention efforts.
6. **Educating** the public and financial entities about their regulatory obligations under the Financial Intelligence Unit Act (FIUA) and other applicable laws to promote compliance and transparency.

The Financial Intelligence Unit (FIU) of The Bahamas functions as an independent, centralized administrative agency, responsible for the implementation and enforcement of the Financial Intelligence Unit Act (FIUA). It serves as an intermediary between the financial sector and law enforcement entities, collecting and analysing relevant information from financial institutions. The FIU then sends disclosures to appropriate law enforcement agencies and supervisory authorities for potential prosecution or other appropriate actions.

In this capacity, the FIU acts as a crucial conduit, facilitating collaboration and information exchange between the financial sector and law enforcement. Additionally, the FIU is responsible for educating both the public and financial entities about their regulatory obligations under the FIUA and other applicable laws, promoting compliance and transparency within the financial ecosystem.

The Financial Intelligence Unit (FIU) of The Bahamas is a cornerstone member of the Egmont Group, a prestigious global coalition comprising 174 Financial Intelligence Units (FIUs) from around the world. The FIU's accession to the Egmont Group in June 2001 marked a significant milestone in the global effort to combat money laundering (AML) and the financing of terrorism (CTF), positioning it as the fifty-fourth (54th) member of this esteemed international alliance. This membership underscores FIU's commitment to international cooperation and the exchange of information essential for tackling financial crimes on a global scale.

**R**

**Receiving all disclosures of information from local institutions and foreign financial intelligence units.**

**A**

**Analyzing all suspicious transaction reports received.**

**O**

**Obtaining information except for information subject to legal professional privilege, from financial institutions and designated non-financial businesses and professions to assist it with its functions.**

**D**

**Disseminating information pertinent to, or potentially associated with, the proceeds of offences as delineated in both the Proceeds of Crime Act (POCA), 2018, and the Anti-Terrorism Act (ATA), 2018.**

# ADMINISTRATION AND ORGANIZATION



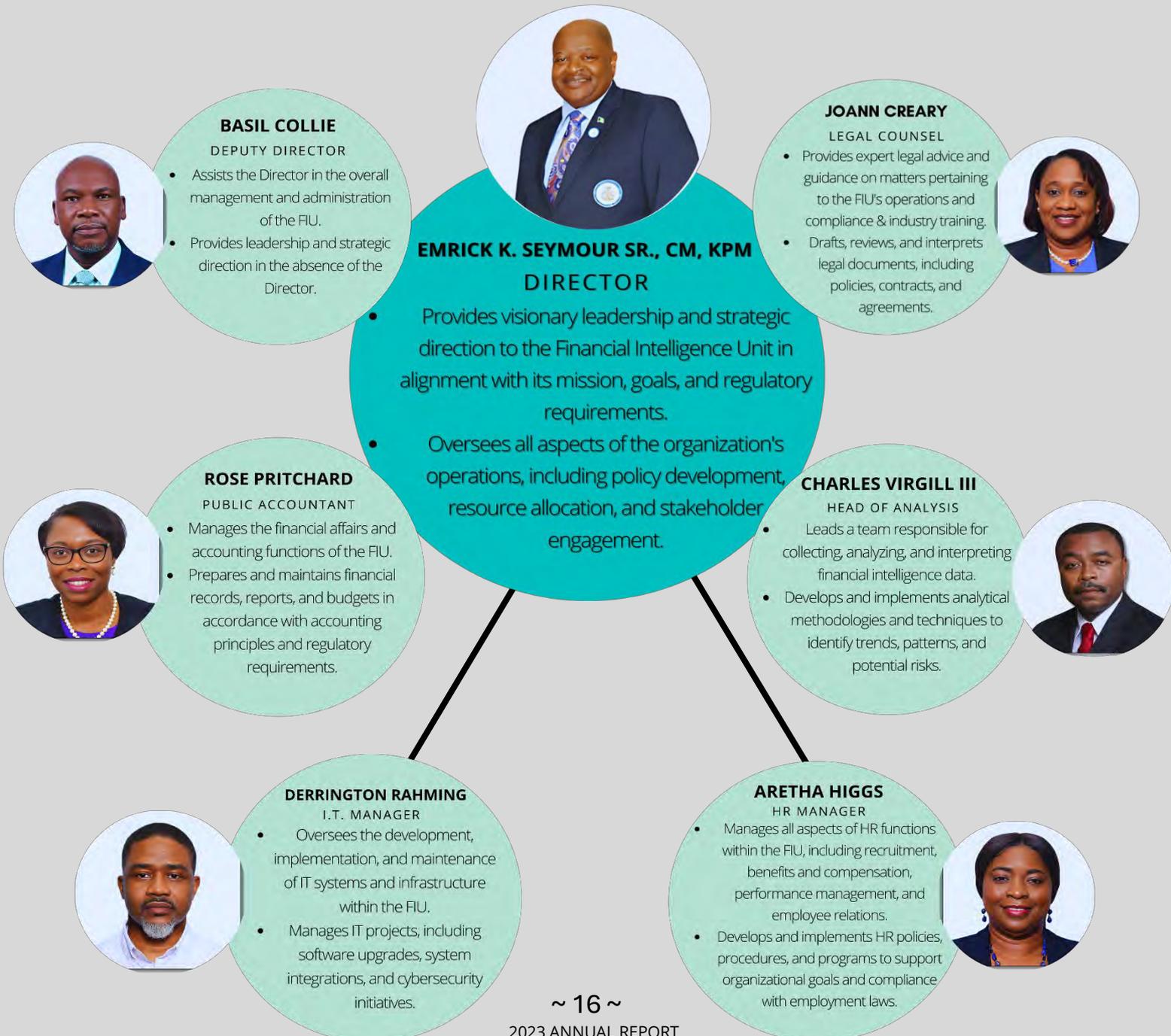
# CHAPTER II.

## ADMINISTRATION AND ORGANIZATION

### DIRECTOR AND MANAGEMENT TEAM

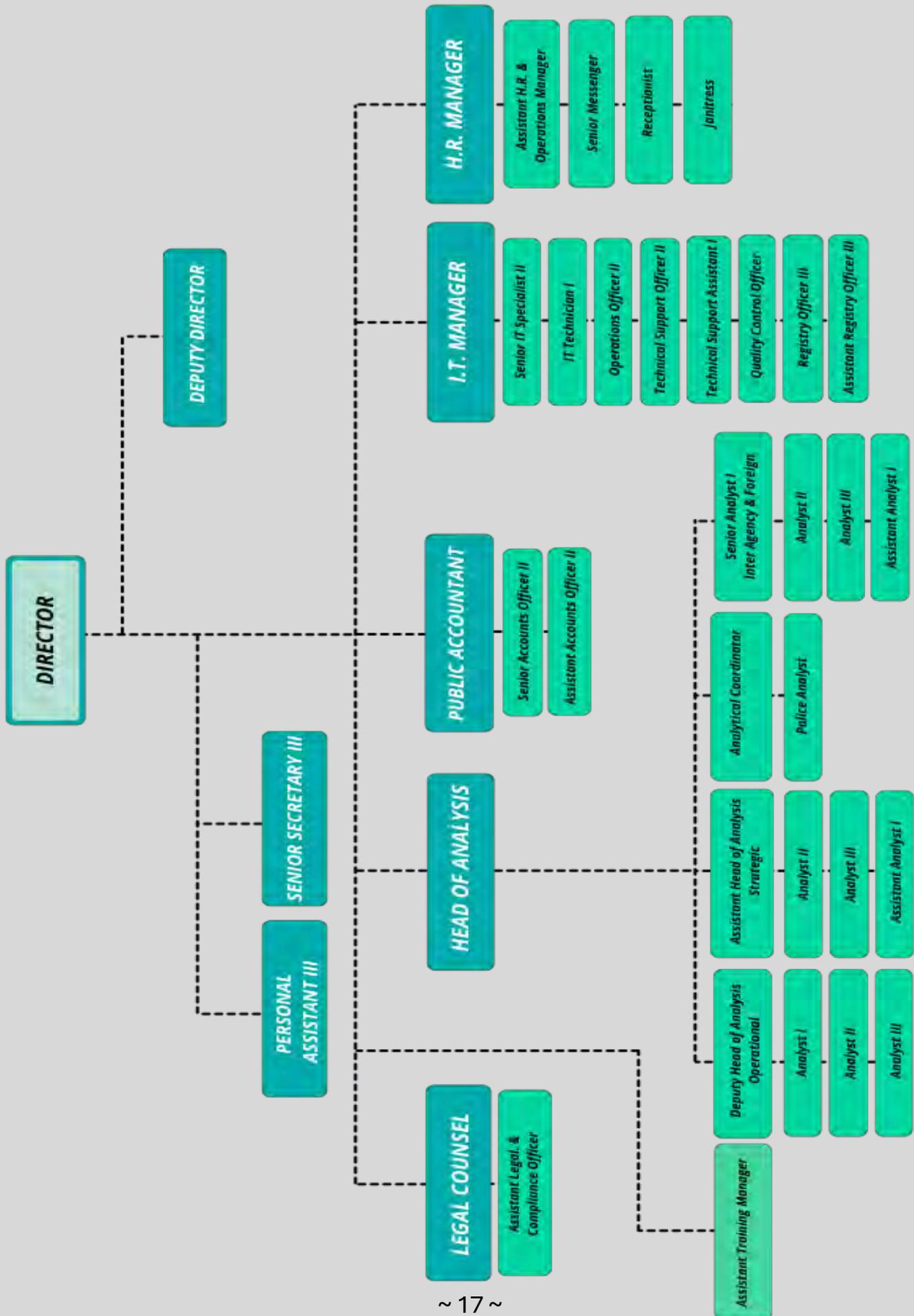
The Financial Intelligence Unit (FIU) is led by a Director/Chief Executive Officer, who bears the primary responsibility for steering, managing, and supervising the organization's daily operations. The Director is supported by an Executive Management Team consisting of six members. Together, they collaborate closely to orchestrate the operational, analytical, and technical functions essential to the FIU's mandate. This leadership structure ensures effective management and execution of the FIU's responsibilities in combating financial crimes and maintaining compliance with regulatory standards.

### EXECUTIVE MANAGEMENT TEAM





# ORGANIZATION CHART



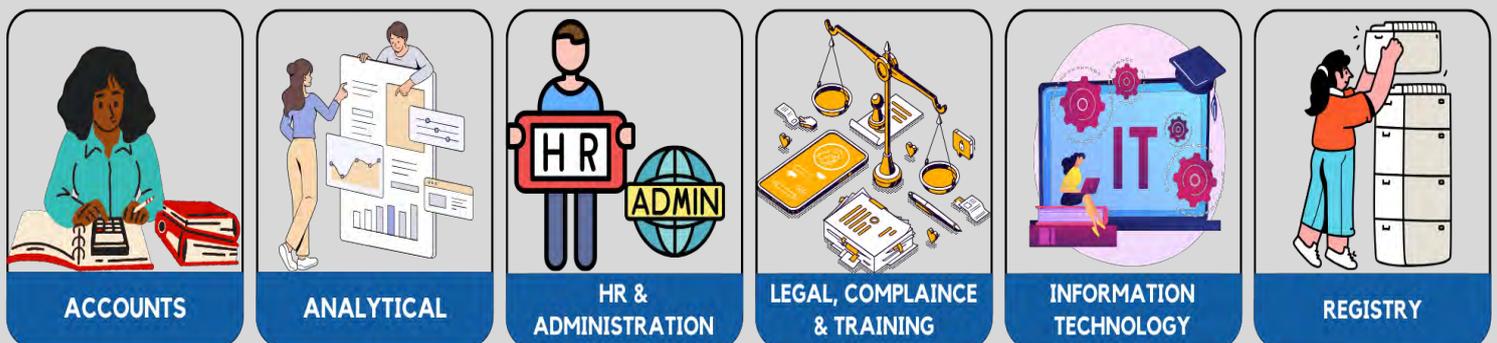
# ORGANIZATIONAL STRUCTURE

The organizational structure of the Financial Intelligence Unit (FIU) outlines the internal framework through which each division contributes to achieving the FIU's objectives. This structure ensures a clear delineation of duties, facilitating the fulfillment of statutory obligations.

The Director and an executive management cadre oversee the responsibilities of distinct departments. The FIU's operational scope is realized through six (6) specialized departments:

1. Accounts.
2. Analytical.
3. Human Resources and Administration.
4. Information Technology.
5. Legal, Compliance, and Training.
6. Registry.

Each department plays a critical role in supporting the FIU's mandate, ensuring effective management and execution of its functions.



## COMPLETION OF TENURE

During the reporting period, the FIU experienced the departure of two (2) of its personnel as indicated below:

1. Assistant Registry Officer II
2. Quality Control Officer

Despite these changes, the FIU's workforce consisted of fifty-four (54) staff members at the conclusion of the 2023 fiscal year, aligned with its operational imperatives.



# FIU STAFF RECRUITMENT

During the year in review, the FIU employed fifteen (15) new staff members to address its specific needs. The new staff included:

## Analytical Department:

- One (1) Head of Analysis.
- Three (3) Analysts II.
- Three (3) Assistant Analysts I.

## Human Resources and Administration Department:

- One (1) Assistant Human Resources & Operations Manager.
- One (1) Quality Control Officer.

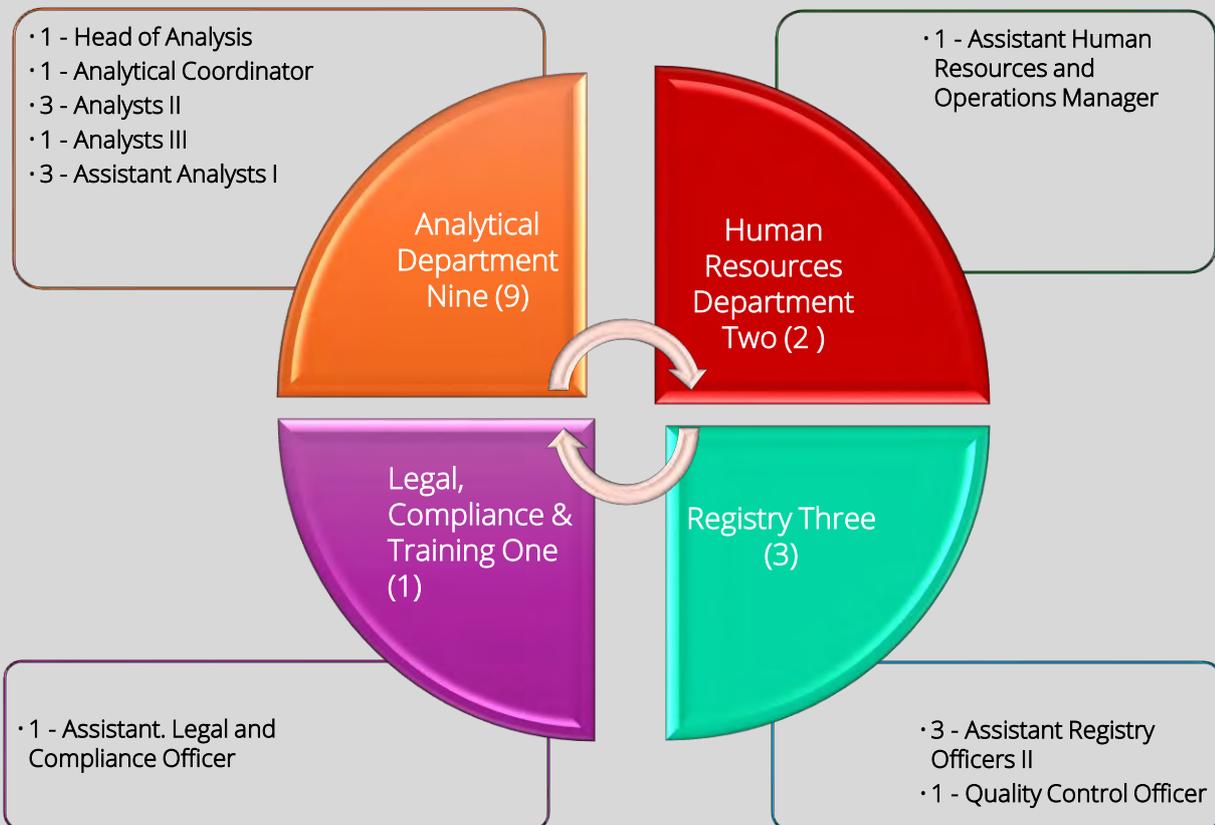
## Legal, Compliance, and Training Department:

- One (1) Assistant Legal and Compliance Officer.

## Registry Department:

- Three (3) Assistant Registry Officers II.

Additionally, the FIU continues to benefit from a receptionist provided under the Government's National Job Creation and Skills Enhancement Program



# TRAINING & DEVELOPMENT



## CHAPTER III.

# TRAINING AND DEVELOPMENT

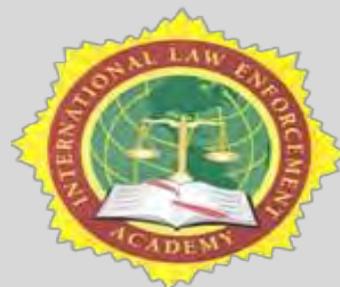
### STAFF PROFESSIONAL TRAINING & DEVELOPMENT

To ensure that its staff remains at the forefront of local, regional, and global systems, technology, and development relevant to its mandate, the FIU remains committed to ongoing training and development. This commitment is aimed at equipping staff members with the necessary knowledge, skills, and capabilities to foster overall growth and potential. By investing in their professional development, the FIU ensures that its personnel are well-prepared to effectively execute their job responsibilities and contribute to the organization's mission of combating financial crimes.

Throughout the year in review, FIU staff engaged in various training programs, including face-to-face sessions on technical skills, soft skills, compliance, safety, and onboarding. These programs were conducted locally, regionally, and internationally, with additional training available through virtual and hybrid methods. Staff members participated in fifteen (15) local and eighteen (18) international professional development courses and conferences during the period.

Training and development opportunities were provided through the following international agencies:

- United States Department of State, Bureau of International Narcotics and Law Enforcement Affairs (INL)
- Organization for Economic Development (OECD)
- The Egmont Centre of FIU Excellence and Leadership (ECOFEL)
- United States Department of Justice, International Law Enforcement Academy (ILEA)
- Association of Certified Anti-Money Laundering Specialist (ACAMS)



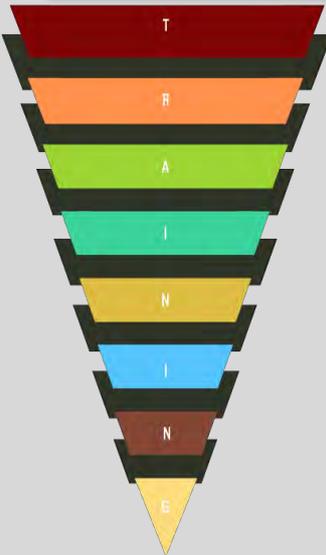
**TRAINING RECEIVED BY FIU STAFF**



FIU Staff Participating in Regional Civil Recovery Live Exchange. Module II. Nassau, Bahamas. February 28 to March 2, 2023.



FIU Staff Participating in Organization for Economic Development (OCED). Latin America Academy for Tax Crime Investigation. Buenos Aires, Argentina. April 17 to 21, 2023.



FIU Staff Participating in the ECOFEL Conference. Dushi, Curacao. April 19 to 20, 2023.



FIU Staff Participating in International Law Enforcement Academy (ILEA). Financial Investigations for Public Corruption Course. San Salvador, El Salvador. September 25 to 29, 2023.



FIU Staff Participating in ACAMS The Assembly Conference. Las Vegas, Nevada. October 1 to 5, 2023.



FIU Staff Participating in Microsoft Power Platform Conference. Las Vegas, Nevada. October 2 to 6, 2023.



FIU Staff Participating in the ISS World America. Intelligence Support Systems, High Tech Criminal Investigation and Data Intelligence Gathering Training. Washington, D.C. November 6 to 10, 2023.



FIU Staff Participating in ACAMS The Assembly Conference. Orlando, Florida. December 11 to 12, 2023.

# 2023 Training Programs Local and International Organization



## FIU IN-HOUSE TRAINING

TRAINING PROGRAMS	DATE OF TRAINING	ATTENDEES
FIU Staff Motivational Seminar. Training Centre, Poinciana House, East Bay Street. Nassau, Bahamas.	January 11, 2023.	38
I-Base In-Depth Refresher Training Course by FIU. Poinciana House, East Bay Street. Nassau, Bahamas.	May 16, 2023.	32
FIU Orientation Seminar. Poinciana House, East Bay Street. Nassau, Bahamas.	September 4, 2023.	45



## INTERNATIONAL TRAINING

TRAINING PROGRAM	DATE OF TRAINING	ATTENDEES
The 2023 Annual Egmont Group (EG) Working and Regional Group Meeting. Dakar, Senegal.	January 30 - February 3, 2023.	3
Organization for Economic Development (OECD) International Academy for Tax Crime Investigation: Conducting Financial Investigations (Foundation) Programme. Guardia di Finanza (GdF) Training School. Ostia, Italy.	March 13 - 24, 2023.	1
Organization for Economic Development (OCED) Latin America Academy for Tax Crime Investigation: Anti-Money Laundering: Current Trends, Prosecutions, and the Challenges Presented by Crypto Assets. Buenos Aires, Argentina.	April 17 - 21, 2023.	2
The Egmont Centre of FIU Excellence & Leadership (ECOFEL). Financial Investigative Techniques Workshop. Dushi, Curacao.	April 19 - 20, 2023.	2
Certified Anti-Money Laundering Specialist (ACAMS). The Assembly. Hollywood, Florida.	May 8 - 11, 2023.	3
Caribbean Financial Action Task Force (CFATF) 56 Plenary and Working Group Meeting. Port of Spain, Trinidad, and Tobago.	May 28 - June 1, 2023.	6
The 29 <sup>th</sup> Annual Egmont Group (EG) Plenary. Abu Dhabi, United Arab Emirates.	June 30 - July 8, 2023.	4
Internship FIU Guatemala: Information Technology System. Guatemala City, Guatemala.	August 28 - 31, 2023.	5
International Law Enforcement Academy (ILEA) Financial Investigations for Public Corruption Course. San Salvador, El Salvador.	September 25 - 29, 2023.	1
Certified Anti-Money Laundering Specialist (ACAMS). The Assembly. Las Vegas, Nevada.	October 1 - 5, 2023.	3



Microsoft Power Platform Conference. Las Vegas, Nevada.	October 2 – 6, 2023.	2
U.S. Department of States. Bureau of International Narcotics & Law Enforcement Affairs (INL). 5 Stone Intelligence Training. Fort. Lauderdale, Florida.	October 30 - November 3, 2023.	1
ISS World America. Intelligence Support Systems, High-Tech Criminal Investigation and Data Intelligence Gathering Training. Washington, D.C.	November 6 - 10, 2023.	5
Egmont Centre of FIU Excellence and Leadership (ECOFEL). Asset Recovery Conference. Taipei City, Taiwan.	November 1 – 19, 2023.	1
Certified Anti-Money Laundering Specialist (ACAMS). The Assembly. Toronto, Canada.	November 15 - 18, 2023.	3
55 <sup>th</sup> Caribbean Financial Action Task Force (CFATF) Plenary, Oranjestad, Aruba.	November 26 - December 1, 2023.	6
The United Nations Office on Drugs and Crime (UNODC). Regional Workshop: Preventing and Combatting Trade Base Money Laundering. Kingston, Jamaica.	December 5– 9, 2023.	1
Certified Anti-Money Laundering Specialist (ACAMS). The Assembly Caribbean, Orlando, Florida.	December 10 – 13, 2023.	3



## LOCAL TRAINING & CONFERENCES

TRAINING PROGRAM	DATE OF TRAINING	ATTENDEES
Regional Civil Recovery. Live Exercise. Module II. Nassau, Bahamas.	February 28 – March 2, 2023.	2
Basic Office and Reception Skills (10 Weeks). Bahamas Technical and Vocational Institute (BTVI). Nassau, Bahamas.	February 28 – May 5, 2023.	1
Royal Fidelity 9th Annual Conference: Evolving Risks: The Way Forward. One Baha Mar Boulevard, Nassau, Bahamas.	March 14, 2023.	1
Continuing Your Professional Development: Re-engaging and Progressing Your Performance in Financial Services. The Bahamas Institute of Financial Services (BIFS) Conference. Nassau, Bahamas.	May 24, 2023.	3
Digital Frontiers Institute: (Certified Digital Finance Practitioner) Anti-Money Laundering Compliance Course. Nassau, Bahamas.	June 5, 2023.	1
Chain Analysis Reactor Certification (CRC) Course. Courtyard Marriot, West Bay Street, Nassau, Bahamas.	June 12 – 16, 2023.	3
IRS-CI Cyber Academy and U.S. Embassy Training. Courtyard Marriot, West Bay Street, Nassau Bahamas.	June 12 - 16, 2023.	
First Aid, Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillator (AED) Training. Bahamas Red Cross. J. F. Kennedy Drive, Nassau, Bahamas.	July 27, 2023.	13
First Aid, CPR and AED Training. Bahamas Red Cross. J. F. Kennedy Drive, Nassau, Bahamas.	July 31, 2023.	12
First Aid, CPR and AED Training. Bahamas Red Cross. J. F. Kennedy Drive, Nassau Bahamas.	August 1, 2023.	12
First Aid, CPR and AED Training. Bahamas Red Cross. J. F. Kennedy Drive, Nassau, Bahamas.	August 10, 2023.	4
World Investor Week Seminar 2023. Securities Commission. Poinciana House, East Bay Street. Nassau, Bahamas.	October 5, 2023.	8



D3 Bahamas Web3 and Fintech Conference, Atlantis Paradise Island, Bahamas.	October 11 - 12, 2023.	6
FIU Orientation & Training for New Employees. Poinciana House, East Bay Street, Nassau, Bahamas.	October 16 - 20, 2023.	6
Organization of American States (OAS). Cybersecurity Symposium 2023. Baha Mar Convention Center, Nassau, Bahamas.	October 18 - 19, 2023.	3
Venezuela Criminality Conference. Courtyard Marriott, West Bay Street, Nassau Bahamas.	October 24 - 26, 2023.	5



## ONLINE & VIRTUAL TRAINING

NAME OF TRAINING	DATE OF TRAINING	ATTENDEES
Financial Crime Typologies: Intermediate. Online Training Course.	January 27, 2023.	1
CFATF/GAFIC Sub Working Group (SWG) Training. Virtual Meeting.	March 7, 2023.	2
Open-Source Intelligence (OSINT). Online Training Course by COPOLAND III Programme.	March 13 - 17, 2023.	1
Chain Analysis: Cryptocurrency Fundamentals Certification (CCFC) Online Course.	March 13 - 17, 2023.	1

# TRAINING INITIATIVE



## TRAINING OF INDUSTRY PARTNERS ANTI-MONEY LAUNDERING AND COMBATING FINANCING OF TERRORISM TRAINING.

The FIU assisted financial institutions in meeting their statutory obligations under Section 6(2) of the Financial Intelligence (Transaction Reporting) Regulations, which requires all relevant employees to participate in annual Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) training. The FIU conducted these training sessions both in person and virtually. Table 1 shows the numbers of industry partners trained by the FIU for the year 2023 and the previous two (2) years.

**TABLE 1.**

INDUSTRY PARTNERS TRAINED BY THE FIU FOR THE LAST THREE (3) YEARS.	YEAR		
	2023	2022	2021
<b>TOTAL</b>	2222	1311	1417

**TABLE 1.**  
**2023 AML/CFT TRAINING PROVIDED TO INDUSTRY PARTNERS**

SECTORS	NUMBER OF INSTITUTIONS		
	YEAR		
	2023	2022	2021
Accounting Firms	111	78	88
Auditors	0	0	1
Bahamas Mortgage Corporation	60	59	59
Bank and Trust Companies	98	270	216
Banking	0	63	17
Casinos	18	1	0
Commercial Banks	242	10	257
Credit Unions	21	17	9
Digital Assets Businesses	2	0	0
Electronic Money Service Providers	6	0	0
Employees of the Financial Intelligence Unit	38	0	0
Financial Corporate Service Providers	114	87	89
Gaming Houses	4	0	5
General Insurers	0	0	30
Individuals	5	7	0
Insurance Companies	837	302	100
Investment Fund Administrators	7	1	31
Law Firms	339	256	361
Real Estate Brokers and Land Developers	40	0	37
Regulator Bodies	139	0	0
Securities Investment Administrators	135	154	104
Trusts	6	6	4
<b>TOTAL</b>	<b>2222</b>	<b>1311</b>	<b>1417</b>



## CASEKONNECT TRAINING

The FIU uses caseKonnnect as its solution for managing the receipt and dissemination of reports and information filed by all institutions registered with the FIU. CaseKonnnect is a web-based platform that offers advanced custom configurations and a variety of views to display information and the relationships between reports and linked entities.

Reports filed via caseKonnnect include:

- **Suspicious Transaction Report (STR)**
- **Terrorist Property Report (TPR)**
- **Inter-Agency Report (IAR)**
- **Inter-Agency Feedback Form (IAFF)**
- **Traveler's Declaration Report (TDR)**
- **Production Order Return (POR)**
- **Freeze Order Requests (FOR)**

Entities or institutions wishing to send Suspicious Transaction Reports (STRs) or Inter-Agency Reports (IARs) to FIU Bahamas are required to use caseKonnnect. This mandate applies to all Money Laundering Reporting Officers (MLROs), designated individuals from Law Enforcement Agencies (LEAs), Regulators, and Designated Reporting Officers (DROs). They must register and submit their reports through the appropriate register on caseKonnnect.

The FIU continues to provide training to MLROs and DROs to ensure they can effectively utilize the e-Filing portal, caseKonnnect, for submitting their reports and requests.



caseKonnnect  
Powered by Ripstone Inc.

# COOPERATION & COLLABORATION



# CHAPTER IV

## COOPERATION AND COLLABORATION

### INTERNATIONAL RELATIONSHIP



The Egmont Group of Financial Intelligence Units was established in 1995 with just a few national agencies known as "financial disclosure units."

Since then, it has grown to include one hundred and seventy-four (174) Financial Intelligence Units across many countries around the globe.

The FIU remains a crucial member of the Egmont Group of Financial Intelligence Units. Membership facilitates the exchange of information with one hundred and seventy-four (174) members through the Egmont Secure Web.



Director Seymour, and Caribbean Community HOFIUs, at the 29th Egmont Plenary Session, in Abu Dhabi, United Arab Emirates. June 30 to July 8, 2023.



Director and FIU Bahamas Delegation at Egmont Plenary. Abu Dhabi, United Arab Emirates. June 30 to July 8, 2023.

This platform handles all Foreign Agency Requests for Information and Spontaneous Disclosures, with both requests and responses, including those from FIU Bahamas, being transmitted through this secure channel.

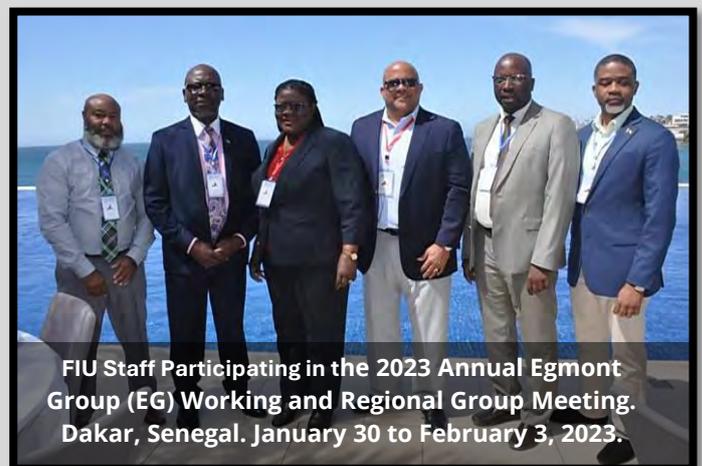
The Egmont Group functions as an organization enabling Financial Intelligence Units to collaborate, cooperate, and exchange knowledge and intelligence. It supports both national and

international efforts to combat money laundering, terrorist financing, and other financial crimes.

The Egmont Group holds one Plenary Session and one Working Group Meeting annually.

In 2023, the Working and Regional Group meeting took place in Dakar, Senegal, from January 30 to February 3, with Deputy Director Basil Collie and the FIU delegation in attendance.

The 29th Annual Egmont Group Plenary was held in Abu Dhabi, United Arab Emirates, from June 30 to July 8, with Director Emrick Seymour and the FIU delegation participating.



FIU Staff Participating in the 2023 Annual Egmont Group (EG) Working and Regional Group Meeting. Dakar, Senegal. January 30 to February 3, 2023.



The Financial Action Task Force (FATF) was established in 1989 and serves as the global watchdog against money laundering and terrorist financing. It currently has forty (40) member countries.

The Financial Action Task Force (FATF) guides global actions and sets international standards to mitigate risks associated with money laundering and terrorist financing. It reviews techniques, monitors, and assesses the implementation of its standards, and identifies high-risk jurisdictions.

The Financial Action Task Force (FATF) uses mutual evaluations to assess countries' compliance with international standards for combating money laundering and terrorist financing. These evaluations examine two key areas:

1. **Technical Compliance:** This refers to how well the country's legal and institutional framework follows the FATF Recommendations. It includes evaluating laws, regulations, and other legal instruments to ensure they meet the required standards.
2. **Effectiveness:** This measures how well a country's systems and frameworks are working in practice to combat money laundering and terrorist financing. It assesses the outcomes and changes of the measures in place, focusing on whether they are effectively finding and mitigating risks.

The mutual evaluation process involves a thorough review by experts from other FATF member countries, who analyze detailed information provided by the country being evaluated. This process helps ensure transparency, consistency, and accountability in the global fight against financial crimes.

## REGIONAL RELATIONSHIP



The Bahamas is an active member of the Caribbean Financial Action Task Force (CFATF), which is a regional body styled after the Financial Action Task Force (FATF).

The CFATF comprises of twenty-four (24) member states from the Caribbean Basin, Central, and South America.

As an associate member of the FATF, the CFATF adheres to and is committed to implementing the FATF Recommendations. These recommendations are designed to combat money laundering, terrorist financing, and other related threats to the integrity of the international financial system. By following these guidelines, the CFATF and its member states, including the Bahamas, play a crucial role in maintaining global financial security.

Since February 1996, the Caribbean Financial Action Task Force (CFATF) has conducted several money laundering typology exercises in collaboration with the Financial Action Task Force (FATF) and other FATF Styled Regional Bodies (FSRBs).

These exercises aim to increase awareness of the risks associated with money laundering and terrorist financing in the region. They facilitate the sharing of information gathered by various organizations involved in combating these financial crimes, enhancing the collective understanding and response to such threats. This collaborative approach helps in developing effective strategies to mitigate risks and strengthen the regional and global financial systems.



The main objective of the Caribbean Financial Action Task Force (CFATF) is to achieve effective implementation of, and compliance with, the Financial Action Task Force (FATF) recommendations. These recommendations are designed to prevent and control money laundering, counter the financing of terrorism, and address the proliferation of weapons of mass destruction.

By adhering to these guidelines, the CFATF and its member states aim to strengthen their financial systems and contribute to global efforts in combating financial crimes and enhancing international security.

The CFATF holds one Plenary Session and one Working Group annually for the benefit of its members. Director Seymour led two FIU delegations that participated in both Plenary Sessions, which were held in Port of Spain, Trinidad, and Tobago, in May 2023 and Oranjestad, Aruba, in November 2023, respectively.

These sessions provide a platform for member states to discuss strategies, share insights, and collaborate on initiatives aimed at combating money laundering and terrorist financing in the region. Memorandum of Understanding (MOU) was signed by FIU Bahamas and FIU Aruba during the session in May 2023.



## LOCAL RELATIONSHIP

### THE IDENTIFIED RISK FRAMEWORK (IRF) STEERING COMMITTEE

The Bahamas National Identified Risk Framework, now known as the Identified Risk Framework (IRF) Steering Committee, was established in accordance with Section 6 of the Proceeds of Crime Act (POCA), 2018.

This committee is tasked with identifying, assessing, and mitigating risks related to money laundering, terrorist financing, and other financial crimes within the country. By adhering to the guidelines set forth in the POCA, the IRF Steering Committee aims to enhance the effectiveness of the Bahamas' efforts, in combating financial crimes and ensuring compliance with international standards.

The role of the Identified Risk Framework (IRF) Steering Committee is to provide oversight for the Bahamas' Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) regime. The committee coordinates national risk assessments periodically to identify, assess, and understand the identified risks.

Additionally, it ensures that these assessments are updated and remain relevant. This initiative-taking approach helps the Bahamas maintain an effective Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) regime and comply with international standards.

The Identified Risk Framework (IRF) Steering Committee also has the major responsibility of maintaining surveillance of Financial Action Task Force (FATF) pronouncements regarding country risk and the application of enhanced due diligence. Led by the Office of the Attorney General, the IRF Steering Committee is supported at the highest policy levels of the Government of the Bahamas.

It has made significant progress in reducing the risk profile of the jurisdiction. The committee holds regular monthly meetings to ensure continuous monitoring and improvement of the country's Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) efforts.



## GROUP OF FINANCIAL SERVICES REGULATORS

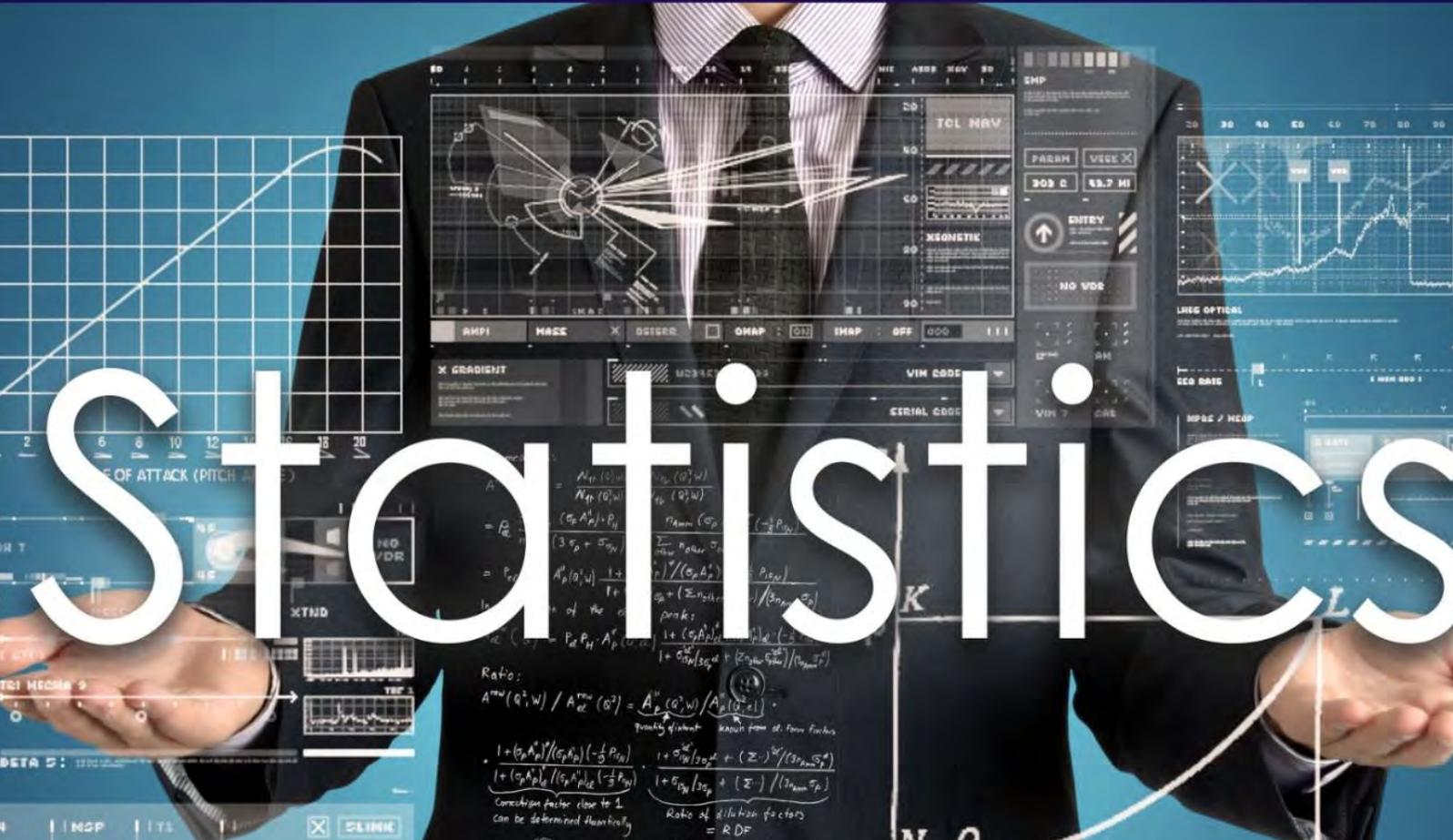
The Group of Financial Services Regulators (GFSR) consists of the heads and representatives from the five (5) regulatory bodies in the Bahamas namely:

1. Central Bank of The Bahamas
2. Securities Commission of The Bahamas
3. The Insurance Commission of The Bahamas
4. Compliance Commission of The Bahamas
5. Gaming Board for The Bahamas

The Financial Intelligence Unit (FIU) participates in the GFSR in an observer capacity. The Group of Financial Services Regulators meets at least quarterly. Its mandate is to promote financial sector stability through the timely and effective exchange of information between regulators, to coordinate supervisory efforts, and to devise responses to actual and potential systemic risks.

These bodies work together to ensure the stability and integrity of the financial sector in the Bahamas.





# Statistics



## CHAPTER IV

# STATISTICS

### INFORMATION TECHNOLOGY: INFRASTRUCTURE FOR DATA COLLECTION AND INFORMATION SHARING

#### E-FILING PORTAL

The Financial Intelligence Unit's (FIU) e-Filing Portal is designed to streamline and enhance the efficiency of report submissions, information requests, and responses between the FIU and registered institutions. This portal plays a crucial role in facilitating effective communication and operational efficiency across all involved parties.

#### Key Features and Benefits:

- **Streamlined Reporting:** The e-Filing Portal allows for the submission of various report types, ensuring that all necessary information is filed efficiently and accurately.
- **Enhanced Communication:** By replacing older methods of data collection such as in-person deliveries, emails, and facsimiles, the portal has improved the speed and reliability of information exchange.
- **Expanded Capabilities:** The portal's expanded functionalities include the ability to submit additional types of reports and exchange information seamlessly, which supports the FIU in its regulatory and compliance efforts.

#### Year in Review:

Throughout the year, the e-Filing Portal was actively utilized for the exchange of information between FIU and its network of partners. This network includes:

- Financial Institutions (FIs)
- Designated Non-Financial Businesses and Professions (DNFBPs)
- Law Enforcement Agencies (LEAs)
- Government Agencies
- Regulators
- Global Partners

The effective use of the e-Filing Portal has significantly contributed to the FIU's operational efficiency and its ability to maintain high standards of regulatory compliance and collaboration.



SUBMITTING AGENCIES	PURPOSE	SUBMISSION TYPE
Financial Institutions (FIs) and Designated Non-Financial Businesses and Professions (DNFBPs).	Reports required to be filed by FIs in accordance with Section 25(1)(b) of the Financial Transactions Reporting Act (FTRA) 2018.	Suspicious Transaction Reports (STRs).
Law Enforcement Agencies, Government Agencies and Regulators.	Requests for information or assistance from the FIU.	Inter-Agency Reports (IARs).
Law Enforcement Agencies, Government Agencies and Regulators.	Feedback to the FIU on the value of reports and information provided.	Inter-Agency Feedback Forms (IAFs).
Law Enforcement Agencies and Regulators.	Request to freeze accounts in accordance with Sections 7(2)(b) of the FIUA.	Freeze Order Requests (FORs).
Financial Institutions and Designated Non-Financial Businesses and Professions.	Submission by FIs and DNFBPs of information to the FIU because of a Production Order issued in accordance with Section 7(2)(c) of the FIUA.	Production Order Returns (PORs).
Financial Institutions and Designated Non-Financial Businesses and Professions.	Quarterly reports required to be filed by FIs and DNFBPs in accordance with Section 70(3) of the Anti-Terrorism Act (ATA) 2018.	Terrorist Property Reports (TPRs).
The Bahamas Customs and Excise Department.	Reports required to be filled by the Bahamas Customs and Excise Department in accordance with the Travelers Currency Declaration (Amendment) Act 2018.	Travelers Declaration Reports (TDRs).

## OVERVIEW OF REPORTS AND REQUESTS FOR INFORMATION RECEIVED BY FIU

The FIU is responsible for the receipt of information from Financial Institutions and Designated Non-Financial Businesses and Professions in The Bahamas. It also receives requests for information or assistance from Law Enforcement Agencies, Regulators, Government Agencies, and Foreign Financial Intelligence Units, seeking information that may be of use to them, or to disclose information that may be of value to the FIU.

The information received are related to, or may be related to activities, associated with money laundering, terrorist financing, or proliferation financing for the manufacture of weapons of mass destruction.

During the year 2023, the FIU received seven hundred and twenty-four (724) Suspicious Transaction Reports (STRs), ninety-nine (99) Inter-Agency Reports (IARs) and sixty-six (66) Foreign Agency Requests (FARs).



## Total Submission Received.

The total submissions received by the FIU decreased by approximately 17.86% from 2022 to 2023. This aligns with the overall trend of a decrease in the number of reports and requests submitted to the FIU during the period. The submissions report and requests received from 2021 to 2022 over the past three (3) years are shown in Table 2A.

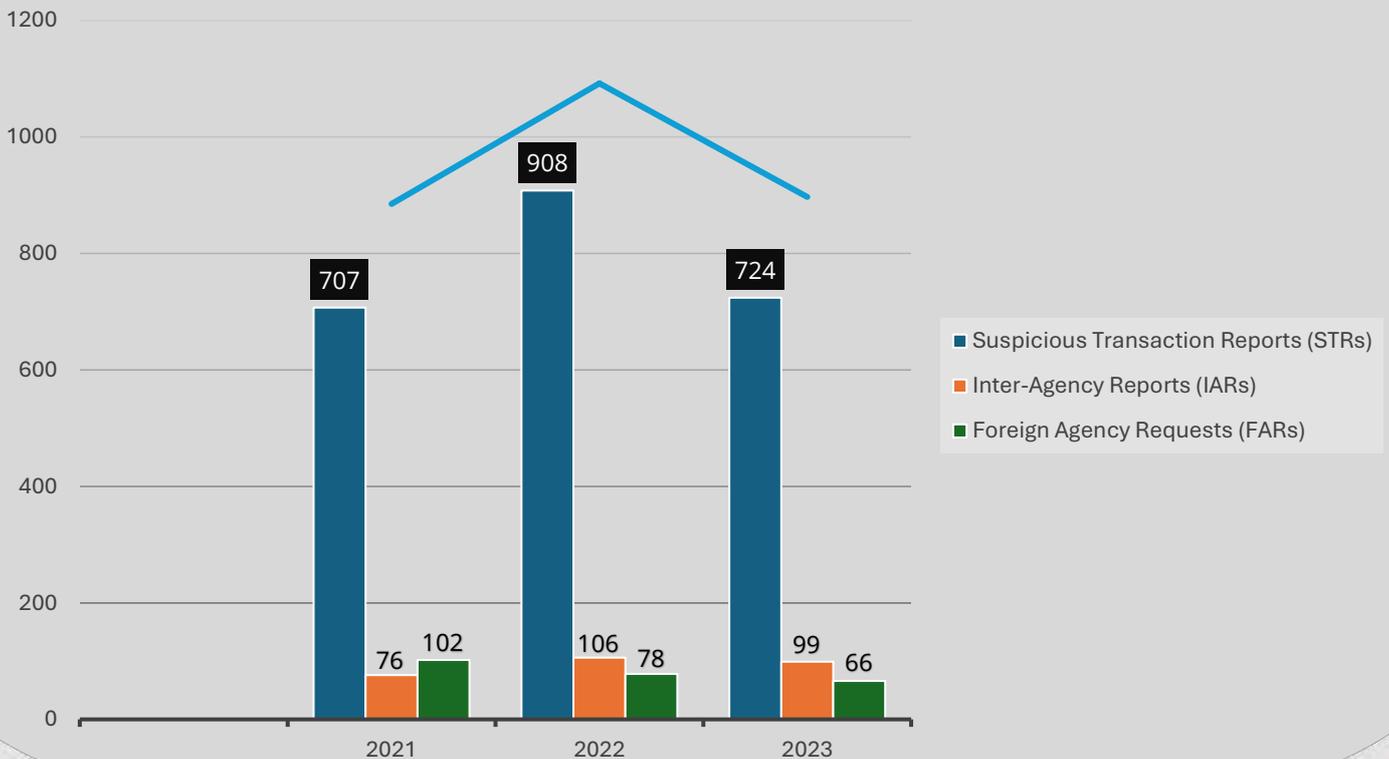
**TABLE 2A**  
**OVERALL REPORTS AND REQUESTS RECEIVED BY FIU BETWEEN 2021 – 2023**

SUBMISSION TYPE	YEAR		
	2023	2022	2021
Suspicious Transaction Reports (STRs)	724	908	707
Inter-Agency Reports (IARs)	99	106	76
Foreign Agency Requests (FARs)	66	78	102
<b>Total Submissions Received</b>	<b>897</b>	<b>1092</b>	<b>885</b>

The FIU, in collaboration with its partners in Anti-Money Laundering (AML) and Combatting Financing Terrorism (CFT), continues to emphasize the importance of filing Suspicious Transaction Reports (STRs). They are dedicated to raising awareness among all relevant entities, ensuring compliance, and enhancing the effectiveness of their efforts, which is crucial for maintaining a strong framework to detect and prevent money laundering and terrorism financing activities.

**FIGURE 1**

**REPORTS AND REQUESTS RECEIVED BY FIU BETWEEN 2021 – 2023**





## SUSPICIOUS TRANSACTION REPORTS

Section 25 of the Financial Transactions Reporting Act, 2018 of the Statute Laws of the Commonwealth of The Bahamas, mandates that all financial institutions, as defined by Section 3 of the Financial Transactions Reporting Act, 2018 are to report any suspicious transactions to the FIU.

Section 25 (1) Notwithstanding any other law, where -

- (b) “The financial institution knows, suspects, or has reasonable grounds to suspect that the transaction or proposed transaction.
  - (i) involves the proceeds of criminal conduct as defined by the Proceeds of Crime Act.
  - (ii) is related to an offence under the Proceeds of Crime Act.
  - (iii) is an attempt to avoid the enforcement of any provision of the Proceeds of Crime Act; or
  - (iv) is an identified risk.

Financial institutions are required to report a transaction to the FIU as a “Suspicious Transaction Report” (STR) as soon as practicable, after confirming a suspicion of money laundering or other illicit activities.

This obligation ensures timely communication of potentially suspicion activities, enabling the FIU to take appropriate actions and investigate further. The prompt reporting of STRs is a critical component in the fight against financial crime, helping to prevent and detect unlawful transactions.

## SUSPICIOUS TRANSACTION REPORTS FILED

The data in Table 2B provided shows that there was a decrease in the number of Suspicious Transaction Reports (STR’s) filed between 2022 and 2023. Specifically:

- **2022:** 908 STR’s
- **2023:** 724 STR’s

This represents a decrease of 17.80% in the number of reports filed from 2022 to 2023.

**TABLE 2B**

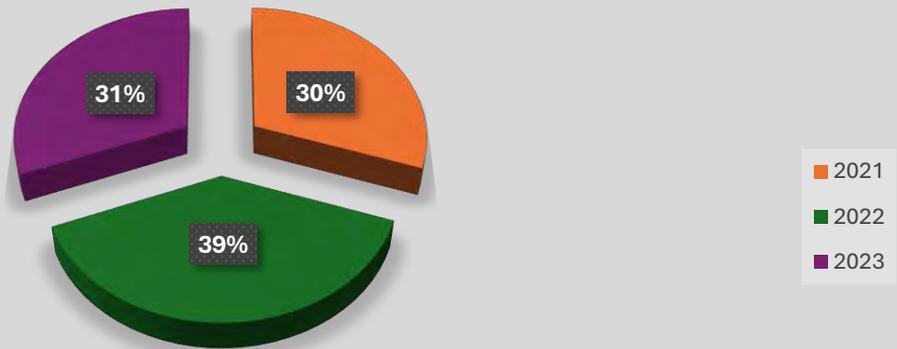
SUSPICIOUS TRANSACTION REPORTS (STRs)	YEAR		
	2023	2022	2021
	724	908	707

There was an increase in STRs from the years 2021 to 2022 however, there is a reported decrease in these numbers in 2023. Specifically:

- **2021 to 2022:** STRs increased from 707 to 908, resulting in a **28.45% spread**.
- **2022 to 2023:** STRs decreased from 908 to 724, resulting in a **17.80% spread**.

Comparing the data from 2021 (707 STRs) to 2023 (724 STRs), there was an overall increase of 9.20% in the number of reported STRs matters. This indicates an upward trend over the three (3) year period, notwithstanding the decrease in 2023. Figure 2 below shows statistics for 2021 - 2023.

**FIGURE 2**  
**REPORTS AND REQUESTS FILED WITH THE FIU BETWEEN 2021 - 2023**



### SUSPICIOUS TRANSACTION REPORTS SUBMITTED

The data from Table 3 provides a detailed breakdown of Suspicious Transaction Reports (STRs) submitted by various types of institutions over the past three (3) years (2021-2023). The Table shows Suspicious Transactions Reports (STRs) that were submitted. Key points are provided on the following:

#### Banks:

- 2023: 612 STRs (84.53%), it shows there was a significant increase in STRs submitted by banks in 2023 compared to 2022, showing an increase in reporting.

#### Casinos:

- 2023: 32 STRs (4.42%), it shows STR submissions from casinos remained stable, with a slight increase in 2023.

#### Trust Companies:

- 2023: 14 STRs (1.93%), it shows there was a notable decrease in STR submissions from trust companies in 2023 compared to 2022.

## Money Remittance Services:

- 2023: 13 STRs (1.80%), it shows there was a significant decrease in STR submissions from money remittance services in 2023.

During the year there were 4 STR's filed by non-bank entities, showing a significant drop from the previous year, which reported the highest number of STR's filed, three hundred and thirty-eight (338) reports. 2021 showed a much lower number, with eleven (11) such reports in 2021.

Overall, while banks reported the majority of STRs in 2023, other institution types such as trust companies, non-bank entities, and money remittance services, saw a decrease in submissions compared to previous years. This indicates a shift in reporting patterns across the different sectors.

**TABLE 3**  
**SUMMARY OF SUSPICIOUS TRANSACTION REPORTS SUBMITTED BY INSTITUTIONS TYPE**

INSTITUTIONS TYPE	YEAR		
	2023	2022	2021
Banks	612	342	605
Casinos	32	16	16
Trust Companies	14	57	11
Insurance Companies	4	3	11
Insurance Agents and Brokers	0	2	0
Non-Bank Entities	4	338	11
Company Services Providers	3	19	9
Money Remittance Services	13	78	8
Stockbrokers	2	4	8
Law Firms	4	3	6
Regulators	0	2	5
Brokers and Dealers	0	0	4
Credit Unions	5	0	4
Real Estate Agents and Brokers	0	0	3
Accountants	3	0	2
Securities	22	39	2
Financial Advisors	0	0	1
Investment Administrators	0	2	1
Other	0	0	0
Fund Managers	0	3	0
Virtual Asset Service Providers	5	0	0
Gaming Establishments	1	0	0
<b>Total</b>	<b>724</b>	<b>908</b>	<b>707</b>

**TABLE 4****SUMMARY OF SUSPICIOUS TRANSACTION REPORTS SUBMITTED BY GROUNDS FOR DISCLOSURE**

GROUNDS FOR DISCLOSURE	YEAR		
	2023	2022	2021
Cash Transaction	77	94	376
Account Activity Not in Keeping with KYC	293	490	72
Media Reports and Publicity	60	38	72
Not Selected	8	59	65
Internet Research	19	17	29
Evidence of Forged Documentation	50	32	25
Other	79	29	19
3rd Party Information	70	79	17
Failure to Comply with Due Diligence Checks	7	16	12
Service of Production Order	45	23	9
Group Information	8	5	7
Transitory Accounts - Immediate Layering	5	2	2
Police Enquiry	1	1	2
High Risk Jurisdictions	1	23	0
Unusual Forex Transactions	0	0	0
<b>Total</b>	<b>724</b>	<b>908</b>	<b>707</b>

The data in Table 4 outlines the grounds for disclosure in Suspicious Transaction Reports (STRs) filed over the years 2021 to 2023. It provides insight into the reasons why certain transactions or attempted transactions raised suspicion.

**GROUNDS FOR DISCLOSURE AND TRENDS**

The grounds for submission criterion in Suspicious Transaction Reports (STRs) outline the reasons that transactions or attempted transactions raised suspicion. For 2023, the data indicates notable trends:

- **Cash Transaction: Decrease from 2022 to 2023:** There was an 18.47% decrease in STRs filed under “cash transaction” grounds, with a decrease in the numbers from ninety-four (94) in 2022 to seventy-seven (77) in 2023. **Significant Decrease from 2021 to 2023:** The most notable trend is the sharp decline of 79.52% from 2021 to 2023, where the number of these STRs decreased from three hundred and seventy-six (376) to seventy-seven (77). This data suggests that the prevalence of cash transactions as a reason for suspicion has significantly decreased over the past two (2) years, indicating either a reduction in suspicious cash activities or changes in detection and reporting practices within financial institutions.
- **Account Activity Not in Keeping with KYC:** There was a notable decrease in 2023 compared to 2022. However, compared to 2021, there was an increase in reports.
- **Media Reports and Publicity:** Reports based on media and publicity increased in 2023 compared to 2022, showing a growing influence of public information.



- **Not Selected:** There was a sharp decrease in reports under the category in 2023 compared to previous years.
- **Internet Research:** There was a slight increase in 2023 compared to 2022.
- **Evidence of Forged Documentation:** There was a steady increase in reports related to forged documentation, reaching a high in 2023.
- **Other:** A significant increase in 2023, indicating a rise in other miscellaneous grounds for suspicion.
- **3<sup>rd</sup> party information:** A decrease in 2023 compared to 2022, but notable increase compared to earlier years.
- **Failure to Comply with Due Diligence Checks:** The number of reports decreased from sixteen (16) in 2022 to seven (7) in 2023.
- **Service of Production Order:** There was a significant increase in 2023 to forty-five (45) compared to previous years, especially in 2022 to twenty-three (23).
- **Group Information:** The reports slightly increased from five (5) in 2022 to eight (8) in 2023.
- **Transitory Accounts - Immediate Layering:** The reports increased from two (2) in both 2021 and 2022 to five (5) in 2023.
- **Police Enquiry:** Remained consistent at low numbers across all years.
- **High Risk Jurisdictions:** Saw a significant decrease in 2023 to one (1) compared to twenty-three in 2022.
- **Unusual Forex Transactions:** No reports were filed under this category in 2023 or the previous years.

The total number of STR's filed decreased from nine hundred and eight (908) in 2022, to seven hundred and twenty-four (724); in 2023, continuing a trend of fluctuating numbers over the past four years. This indicates variability in reporting activity and changes in the financial landscape or regulatory environment.

## SUSPECTED CRIMINALITY

The data presented in Table 5 outlines the trends in various types of criminality suspected in Suspicious Transaction reports (STRs) filed in 2023 compared to previous years.

- **Fraud:** In 2023, there were one hundred and eighty-seven (187) suspected fraud cases, marking a significant increase of 61.20% compared to the one hundred and sixteen (116) cases reported in 2022.
- **Unknown/Undetermined:** During the year in review, reports classified as "unknown/undetermined," decreases by 36.4% in 2023, with three hundred and forty-nine (349) cases compared to five hundred and forty-eight (548) in 2022. This category saw a sharp drop in 2021 to one hundred and forty-three (143) cases.
- **Corruption:** The number of suspected corruption cases shows a slight decrease of 6.25% in suspected cases compared to 2022.

Other categories show varying trends, with tax-related crimes matters increasing. These fluctuations reflect shifting priorities or changes in the patterns of suspicious activities being reported.

\* For the period under review, it should be noted that no stand-alone money laundering suspicious transaction reports (STRs) were filed with the FIU. However, analysis of the matters received identified twenty (20) STRs in which money laundering was an accompanying offence.

**TABLE 5  
CRIMINALITY SUSPECTED OF SUSPICIOUS TRANSACTION REPORTS FILED**

CRIMINALITY SUSPECTED	YEAR		
	2023	2022	2021
Fraud	187	116	411
Unknown/Undetermined	349	548	143
Not Selected	8	59	52
Corruption	30	32	28
Tax Matters	89	62	15
Other (ICS)	22	23	12
Drugs	10	5	10
Insider Trading	7	10	9
Regulatory Matters	2	1	7
Bribery	7	38	7
Cyber Crimes	3	1	3
Illegal Gambling	2	1	2
Weapons and Ammunition Trafficking	0	0	2
Terrorism	0	3	2
Trafficking In Persons	2	2	2
United Nations Security Council Resolution (UNSCR)	2	5	2
Financing of Proliferation of WMD	1	1	0
Adverse Media exposure	0	0	0
Proceeds of Crime	0	0	0
Counterfeit Goods	2	0	0
Possession, Theft and/or Trafficking in Stolen Gold or Precious Metals	0	1	0
Ponzi Schemes and Lotteries	1	0	0
<b>Total</b>	<b>724</b>	<b>908</b>	<b>707</b>

## NATIONALITY OF SUBJECTS

From the Suspicious Transaction Reports (STR's) filed, Table 6 provides a breakdown of the nationalities of the subjects involved. This breakdown helps to understand the geographic distribution of subjects involved in suspicious transactions. The data indicates the following:

**Bahamian Nationals:** Three hundred and forty-five (345) subjects, which make up the largest group of subjects in the STR's.

**Foreign Nationals:** One hundred and seventy-one (171) subjects are represented by a diverse range of countries, with the highest numbers from the United States of America, Haiti, Canada, China, and the United Kingdom.

**Unspecified Nationalities:** Eighty-three (83) subjects, in this category represents subjects whose country of citizenship is not provided.

**TABLE 6**  
**COUNTRY OF CITIZENSHIP OF SUBJECTS OF SUSPICIOUS TRANSACTION REPORTS**

COUNTRY	NUMBER
Argentina	2
Australia	7
Bahamas	345
Belgium	1
Brazil	5
Canada	19
China	18
Costa Rica	1
Denmark	1
Dominican Republic	2
France	2
Germany	3
Ghana	1
Greece	1
Guyana	3
Haiti	23
Hungary	1
India	6
Israel	2
Italy	1
Jamaica	2
Kazakhstan	3
Netherlands	1
Nigeria	6
Peru	1
Philippines	4
Russian Federation	2
South Africa	2
St. Vincent	1
Sweden	1
Switzerland	1
Thailand	1
Trinidad and Tobago	1
United Arab Emirates	1
United Kingdom	11
United States of America	29
Venezuela	2
Vietnam	1
Unspecified Nationality	83
<b>Total</b>	<b>599</b>



## ORGANIZATIONS THAT WERE SUBJECTS OF SUSPICIOUS TRANSACTION REPORTS

Table 7 details the types of organizations that were identified as subjects in the Suspicious Transaction Reports (STRs) filed. The data shows a total of eighty-six (86) institutions across various categories. Below is a summary of the organization types and their corresponding numbers:

**TABLE 7**  
**TYPES OF ORGANIZATIONS THAT WERE SUBJECTS OF STRs**

TYPES OF ORGANIZATIONS	NUMBERS
Banks	2
Incorporations	14
Funds	1
Home Based Services	1
International Business Companies	4
Limited Liability Companies	2
Local Companies	1
Manufacturing of Shutters & Awnings, Sales, and Repairs	1
Non-profit Organizations	1
Partnerships	3
Sole Traders	10
Not Selected	46
<b>Total Organizations</b>	<b>86</b>

Table 7 shows that the most reported types of organizations are incorporations and sole traders. A significant number of STRs are related to incorporation, indicating frequent, suspicious activities involving these entities. Sole traders have a moderate level of representation in the reports.

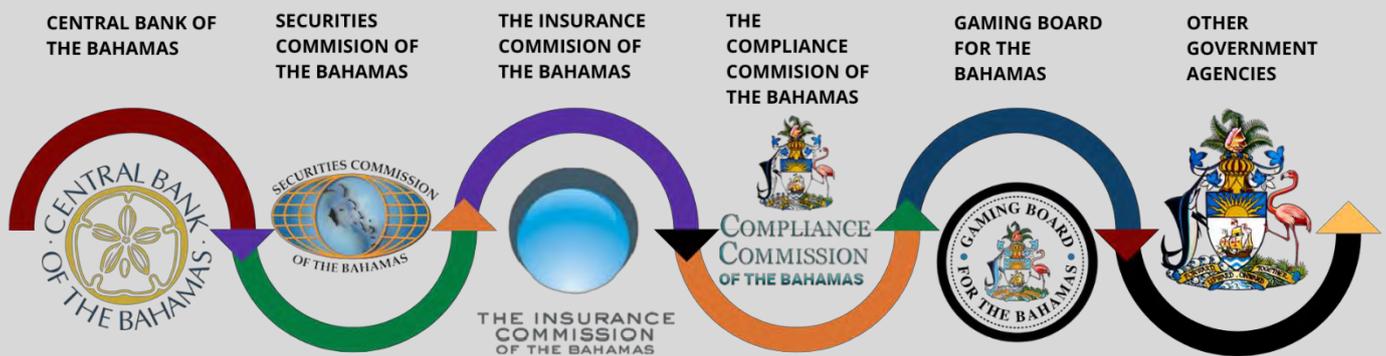
In the year in review, there was a high number of unspecified organizations in the reports. Forty-six (46), other types of organizations, such as banks, funds, and non-profits, had low representation in STRs.

### INTER-AGENCY REQUESTS AND REPORTS

Inter-Agency Requests and Reports involve the exchange of information and collaboration between the Financial Intelligence Unit (FIU) and other governmental and law enforcement agencies.



These requests and reports typically involve sharing data, conducting investigations, and helping enhance financial oversight and law enforcement efforts. Specifically, these interactions can originate from or involve:



**Government Agencies:** Various governmental bodies that may require financial information or intelligence for policymaking, regulation, or investigation purposes. These could include ministries, regulatory authorities, and other public institutions.

**Law Enforcement Agencies:** Agencies responsible for maintaining public order and enforcing the law. These requests could involve investigations into criminal activities such as money laundering, fraud, terrorism financing, and other financial crimes. Examples include the police, national security agencies, anti-corruption bodies, and specialized units.

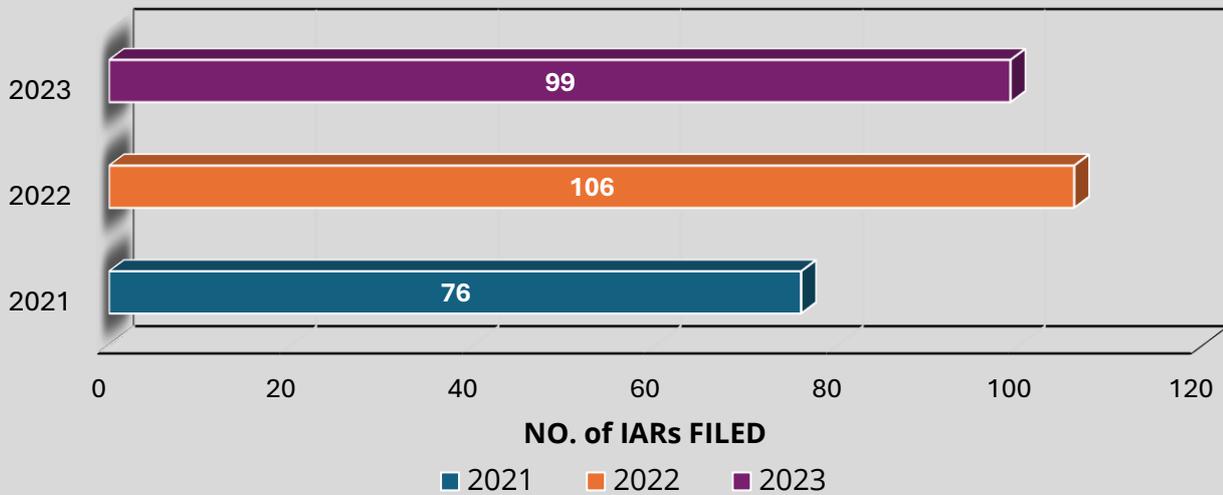
The collaboration and information-sharing facilitated by Inter-Agency Requests and Reports are crucial for maintaining a comprehensive and coordinated approach to financial oversight, compliance, and law enforcement. This mechanism helps ensure that suspicious activities are thoroughly investigated and that regulatory standards are upheld.

### INTER-AGENCY REQUESTS AND REPORTS FILED

In 2023, a total of ninety-nine (99) Inter-Agency Requests and Reports were submitted. This represents a decrease of 6.60% compared to the number filed in 2022. The trend in Inter-Agency requests and Reports from 2021 to 2023 is illustrated in Figure 3.

**FIGURE 3**

**INTER-AGENCY REPORTS FILED BETWEEN 2021-2023**



**OVERALL AGENCIES THAT MADE REQUESTS**

Table 8 provides a breakdown of the Inter-Agency Requests and Reports received by the FIU Bahamas from various submitting agencies over the years 2021 to 2023. The data reflects the number of submissions received from each category of agency.

**TABLE 8**  
**AGENCIES FROM WHICH INTER-AGENCY REQUESTS AND REPORTS WERE RECEIVED**

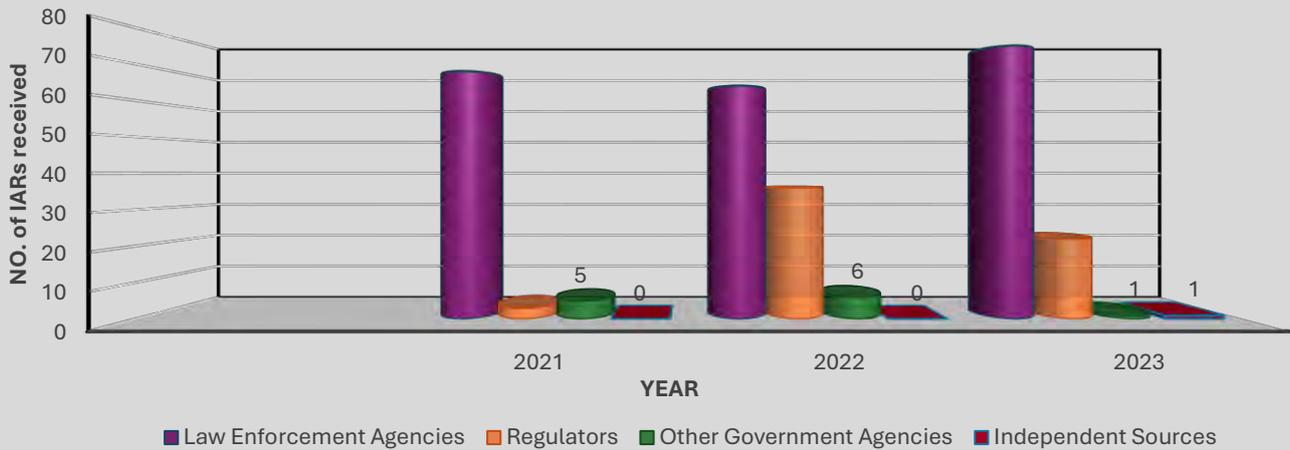
SUBMITTING AGENCY	YEAR		
	2023	2022	2021
Law Enforcement Agencies	75	64	68
Regulators	22	36	3
Other Government Agencies	1	6	5
Independent Source	1	0	0
<b>Total Submissions Received</b>	<b>99</b>	<b>106</b>	<b>76</b>

- Law Enforcement Agencies:** The majority of Inter-Agency Requests and Reports consistently originated from law enforcement agencies, with an increase of seventy-five (75) submissions in 2023.
- Regulators:** There was a notable fluctuation in submissions from regulators, with a high of thirty-six (36) in 2022 and a low of three (3) in 2021.
- Other Government Agencies:** These agencies contributed fewer submissions overall, with a small number received each year.
- Independent Source:** There was a single submission from an independent source in 2023, indicating a rare occurrence.

This data highlights the active role of law enforcement agencies in requesting information and the variability in contributions from regulators and other government entities.

**FIGURE 4**

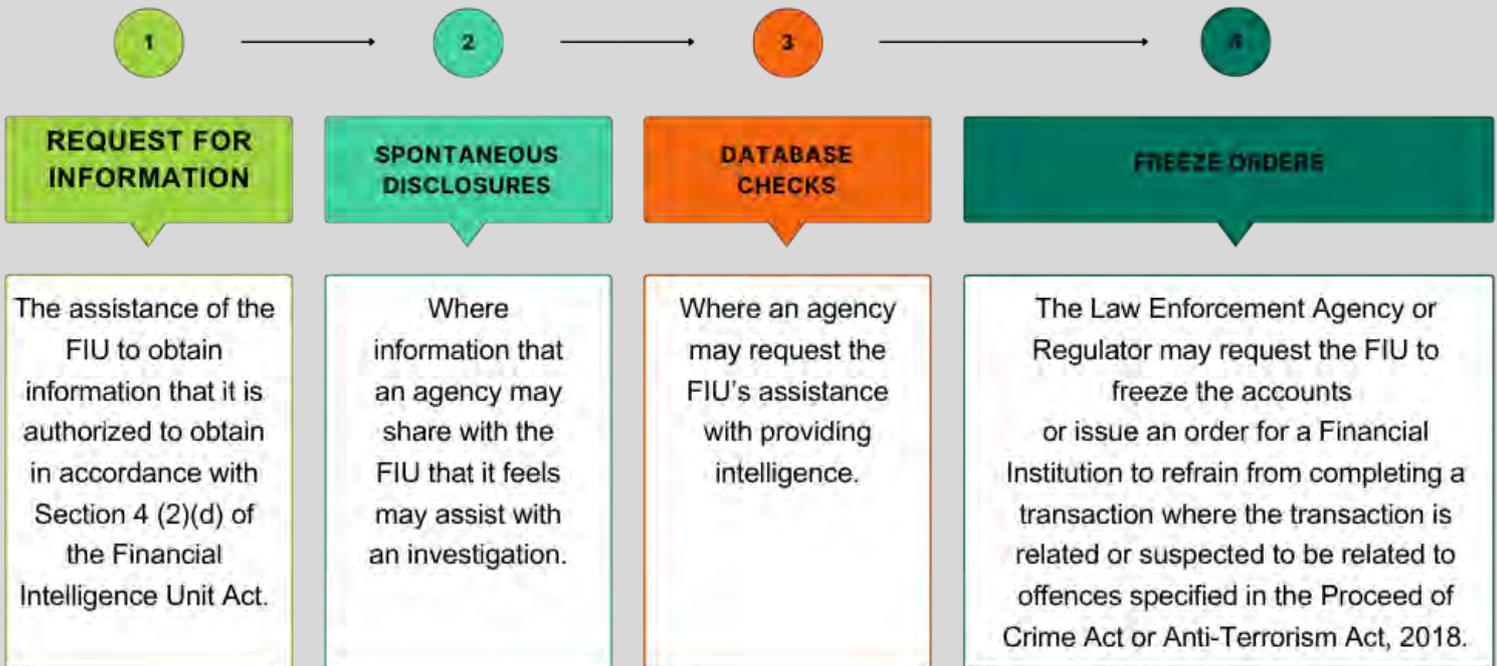
**INSTITUTIONS FROM WHICH INTER-AGENCY REPORTS WERE SUBMITTED**



**INTER-AGENCY REQUESTS AND REPORTS**

In 2023, the Inter-Agency Requests and Reports filed with the FIU Bahamas were categorized into four main areas.

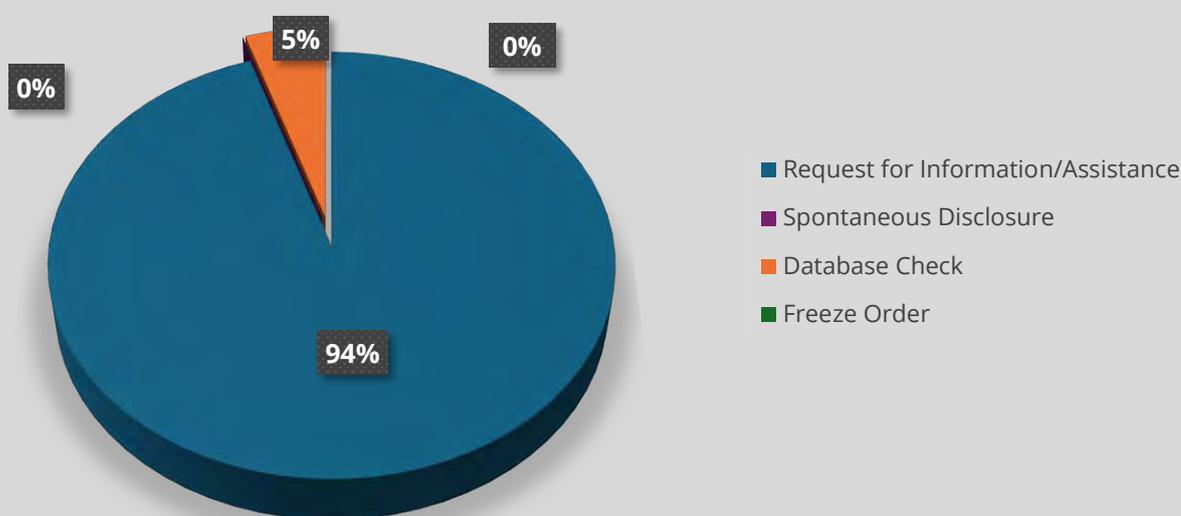
These categories encompass the several types of requests or reports that were submitted by various agencies, reflecting the diverse nature of inter-agency cooperation and information-sharing. The four (4) areas are:



**TABLE 9**  
**INTER-AGENCY REPORTS SUBMITTED**

INTER-AGENCY REQUESTS/REPORTS TYPE	NUMBER
Request for Information/Assistance	94
Spontaneous Disclosures	0
Database Checks	5
Freeze Orders	0
<b>Total Requests</b>	<b>99</b>

**INTER-AGENCY REPORT TYPES RECEIVED IN 2023**  
**FOREIGN AGENCY REQUESTS AND REPORTS**



**FOREIGN AGENCY REQUESTS RECEIVED**

In 2023, the Financial Intelligence Unit (FIU) received a total of sixty-six (66) Foreign Agency Requests (FARs). This represents a decrease of 15.38% from the seventy-eight (78) FARs received in 2022.

**TABLE 10**  
**FOREIGN AGENCY REQUESTS SUBMITTED**

FOREIGN AGENCY REQUESTS (FARs)	YEAR		
	2023	2022	2021
	66	78	102



## FOREIGN AGENCY REQUESTS (FARs) RECEIVED IN 2021-2023

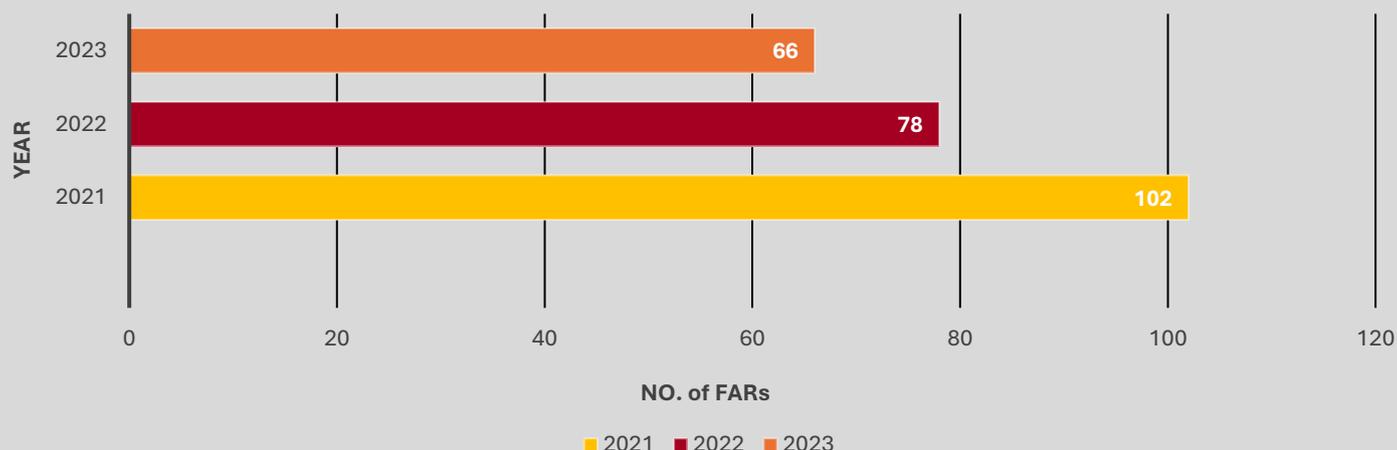


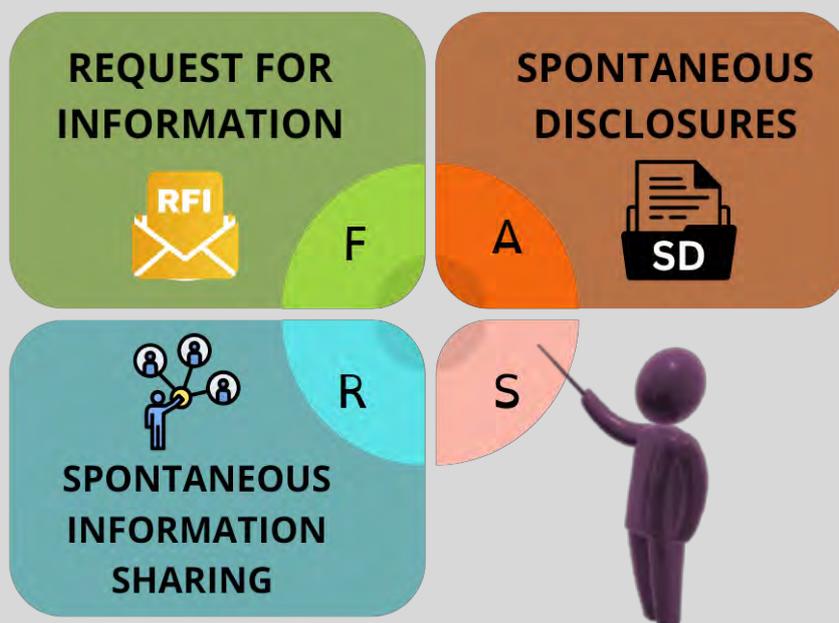
Table 10 shows the trend of Foreign Agency Requests over the past three (3) years:

- **2023 vs 2022:** The number of FARs decreased by 15.38%, suggesting a reduction in foreign inquiries or request for information.
- **2022 vs 2021:** There was a decrease from one hundred and two (102) FARs in 2021 to seventy-two (72) in 2022, indicating a drop in requests.

The data reflects a declining trend in Foreign Agency Requests received by the FIU over the past two (2) years.

## FOREIGN AGENCY REQUESTS (FARs) RECEIVED

The FIU Bahamas receives three (3) types of information requests from Foreign Financial Intelligence Units specifically:



A Foreign Financial Intelligence Unit sends a Request for Information, to ask for the assistance of FIU Bahamas in obtaining and disclosing information that may be of assistance to them in their local inquiries.

A Foreign Financial Intelligence Unit may also share information that it is made aware of during their inquiries, which may be of benefit to the FIU Bahamas.

In 2023, the types of Foreign Agency Requests and Reports received by the FIU Bahamas are detailed in Table 11

**TABLE 11  
FOREIGN AGENCY REQUEST AND REPORT TYPES**

FOREIGN AGENCY REQUEST AND REPORT TYPES 2023	NUMBER
Request for Information	44
Spontaneous Disclosures	21
Spontaneous Information Sharing	1
<b>Total Requests</b>	<b>66</b>

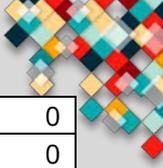
- **Request for Information:** Most requests, forty-four (44) out of sixty-six (66), were formal requests for information, where foreign financial intelligence units (FFIUs) sought assistance from the FIU Bahamas for their inquiries.
- **Spontaneous Disclosures:** There were twenty-one (21) instances of spontaneous disclosures, where the FIU Bahamas shared information proactively with foreign agencies that might assist them.
- **Spontaneous Information Sharing:** Only one (1) instance involved spontaneous information sharing from foreign agencies to the FIU Bahamas.

**COUNTRIES FOREIGN AGENCY REPORTS AND REQUESTS RECEIVED**

In 2023, the FIU Bahamas received a total of sixty-six (66) Foreign Agency Requests (FARs) from various countries. Table 12 provides a breakdown of these requests by country, detailing the number of requests received from each nation.

**TABLE 12  
COUNTRIES WHERE FARs REQUESTS WERE RECEIVED**

COUNTRY	YEAR		
	2023	2022	2021
Andorra	1	0	0
Argentina	1	2	2
Aruba	0	0	1
Azerbaijan	0	0	1
Brazil	0	1	3
Bulgaria	0	1	1



Belgium	0	1	0
Bermuda	1	1	0
Canada	0	0	0
Cayman Islands	4	2	5
Colombia	1	0	1
Cyprus	0	0	1
Dominican Republic	0	0	1
France	0	7	2
Ecuador	1	0	0
Georgia	2	0	0
Germany	2	1	5
Gibraltar	0	0	1
Greece	1	1	0
Guatemala	0	0	1
Guernsey	1	0	0
Hong Kong	2	0	0
Hungary	0	1	0
India	1	2	2
Ireland	2	0	0
Isle of Man	2	1	0
Israel	0	0	0
Italy	0	4	3
Jamaica	0	0	0
Jersey	4	2	3
Jordan	0	0	0
Kazakhstan	0	1	1
Korea (South)	0	0	0
Liechtenstein	0	8	4
Lithuania	0	0	0
Luxembourg	2	2	3
Malaysia	0	0	1
Malta	0	2	9
Moldova	3	1	0
Monaco	1	0	0
Mongolia	1	0	1
Montenegro	0	0	5
Netherlands	0	1	1
New Zealand	0	2	0
Nigeria	0	0	0
Norway	0	2	0
Panama	3	7	2
Paraguay	1	0	0
Peru	2	2	5
Qatar	0	0	1
Republic of Kosovo	0	0	1
Romania	0	0	1
Russia	0	2	0
Saudia Arabia	3	1	0



Senegal	0	1	0
Serbia	0	1	0
Singapore	0	0	0
Slovakia	0	0	1
Spain	0	0	0
Sri Lanka	0	0	1
Seychelles	1	0	0
South Africa	1	0	0
Switzerland	2	4	2
Syria	0	2	6
Tanzania	0	0	1
Thailand	0	1	0
Trinidad & Tobago	0	0	0
Turkey	0	2	1
Turks & Caicos Islands	0	1	1
Ukraine	0	3	0
United Arab Emirates	1	0	0
United Kingdom	3	0	3
United States of America	13	9	14
Uruguay	0	1	0
Uzbekistan	0	0	0
Venezuela	0	2	0
<b>Total</b>	<b>66</b>	<b>78</b>	<b>102</b>

Table 12 shows that the United States of America made thirteen (13) foreign agency requests to FIU Bahamas, which was the highest request made by all the other countries during the reporting period. The Cayman Islands and Jersey each made four (4) requests. A few other countries made fewer requests. These included Andorra, Argentina, Bermuda, and others.

**FIU REQUESTS SENT TO FOREIGN FINANCIAL INTELLIGENCE UNITS (FFIUs)**

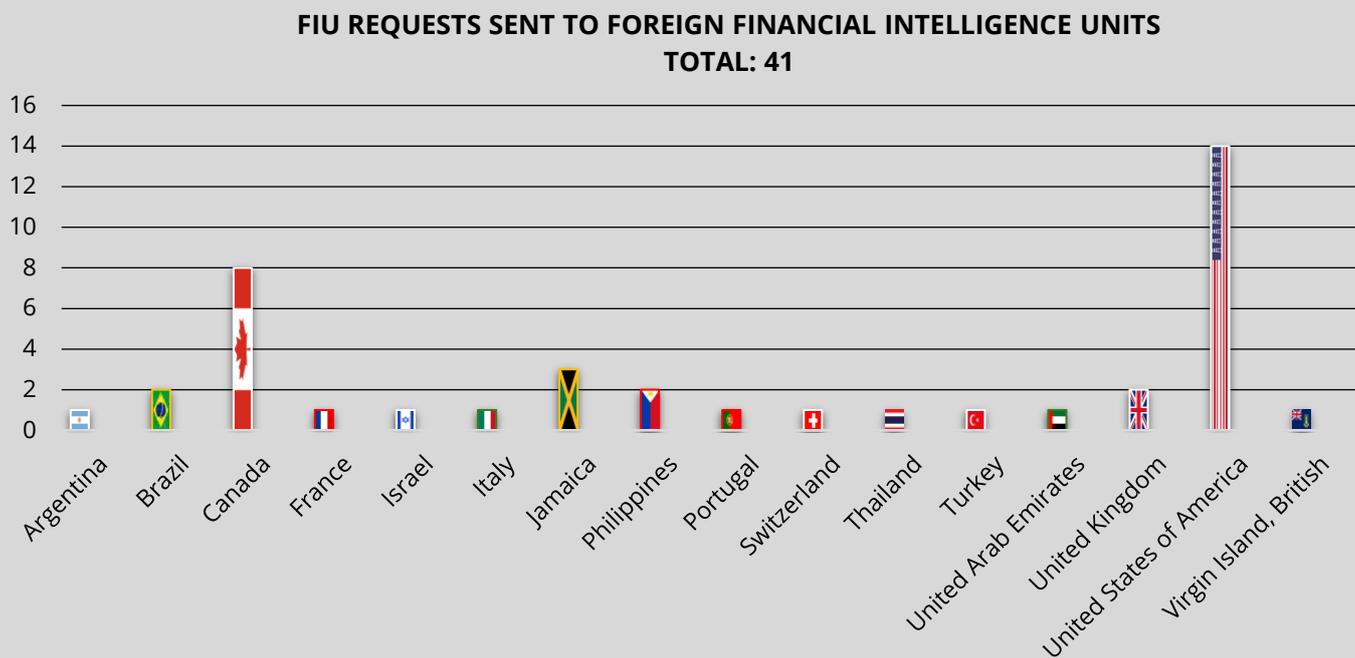
The FIU Bahamas sent a total of forty-one (41) requests for information to Foreign Financial Intelligence Units (FFIUs), for the year 2023.

Figure 5 indicates the various countries that the FIU have submitted these foreign requests to, which demonstrates the role of the FIU Bahamas, seeking information from international counterparts, to assist in their investigations and operations.





**FIGURE 5**  
**FIU REQUESTS SENT TO FOREIGN FINANCIAL INTELLIGENCE UNITS**



**OTHER REPORTS**

In addition to the Foreign Agency Requests and Information Sharing, the FIU Bahamas also received other types of reports:

- (a) Terrorist Property Reports (TPRs)
- (b) Travellers Currency Declaration Reports (TCDRs)

These additional reports contribute to the overall financial intelligence framework, by addressing specific concerns related to terrorist financing, and cross-border currency movements.

**TERRORIST PROPERTY REPORTS**

Section 70(1) of the Anti-Terrorism Act, 2018 (ATA) mandates that every financial institution shall disclose to the FIU:

- (a) the existence of any property in his possession or control, which to his knowledge is terrorist property or property to which an order made under Section 45 applies, or which there are reasonable grounds to believe, is terrorist property or property to which an order made under Section 45 applies.
- (b) any information on a transaction or proposed transaction in respect of terrorist property or property, to which an order made under Section 45 applies; or

- (c) any information about a transaction or proposed transaction which there are reasonable grounds to believe, may involve terrorist property or property, to which an order made under Section 45 applies.

Additionally, Section 70(3) requires Financial Institutions to submit quarterly reports, which the FIU terms Terrorist Property Reports (TPRs):

- (a) if it is not in possession or control of terrorist property, that it is not in possession or control of such property; or
- (b) if it is in possession or control of terrorist property, that it is in possession or control of such property, and the particulars relating to the person, accounts and transactions involved and the total value of the property.
- (c) if it is not in possession or control of terrorist property, that it is not in possession or control of such property; or
- (d) if it is in possession or control of terrorist property, that it is in possession or control of such property, and the particulars relating to the person, accounts and transactions involved and the total value of the property.
- (d) any information about a transaction or proposed transaction in respect of terrorist property or property to which an order made under Section 45 applies; or
- (e) any information about a transaction or proposed transaction which there are reasonable grounds to believe, may involve terrorist property or property to which an order made under Section 45 applies.

Additionally, Section 70(3) requires FIs to submit quarterly reports, that the FIU terms terrorist property reports (TPRs):

- (a) if it is not in possession or control of terrorist property, that it is not in possession or control of such property; or
- (b) if it is in possession or control of terrorist property, that it is in possession or control of such property, and the particulars relating to the person, accounts and transactions involved and the total value of the property.

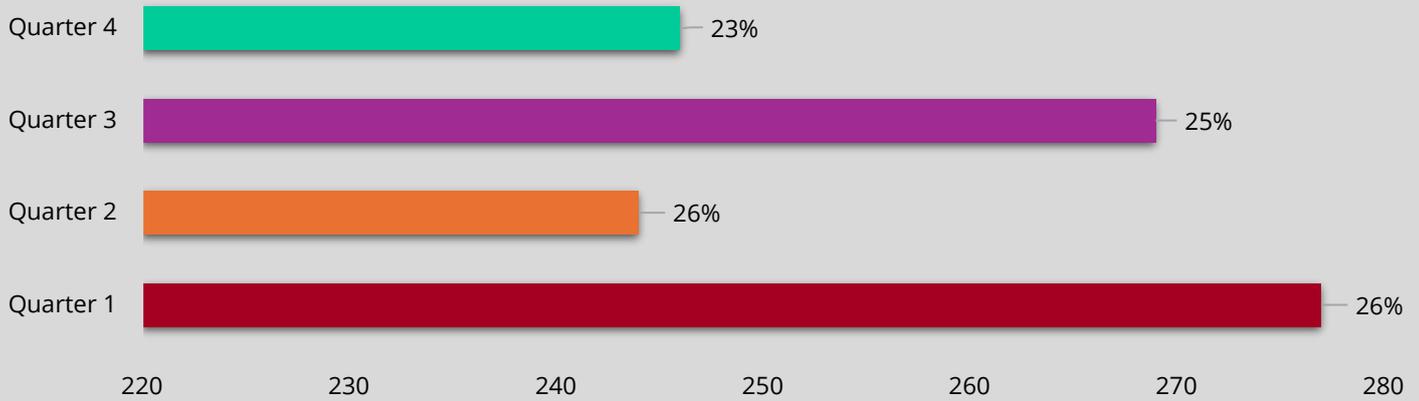
The following reports were submitted during the four (4) quarters of 2023.

REPORTING PERIOD 2023	TERRORIST PROPERTY REPORTS (TPRs) FILED	
	Quarter 1 (January - March)	277
	Quarter 2 (April - June)	244
	Quarter 3 (July - September)	269
	Quarter 4 (October - December)	246
<b>TOTAL</b>	<b>897</b>	

The reports filed to the FIU Bahamas were Section 3(a) reports, that are, declarations that the institutions were not in possession or control of terrorist property.



**FIGURE 6**  
**TERRORIST PROPERTY REPORTS FILED IN 2023**



**TRAVELERS CURRENCY DECLARATION REPORTS**

Under Section 3 of the Travelers Currency Declaration Act, 2018, it is mandatory for every person entering or leaving The Bahamas (except for those departing on a precleared flight by United States Customs) to declare whether they, or a household member, possess cash or negotiable instruments valued at \$10,000 or more. This declaration must be submitted to the Financial Intelligence Unit (FIU) as per the Travelers Currency Declaration (Amendment) Act, 2018.

In the year 2023, the Bahamas Customs and Excise Department submitted a total of one hundred and forty-eight (148) reports to the FIU. These reports were received in the months indicated below:

TRAVELERS CURRENCY DECLARATION REPORTS (TCDS) FILED 2023	MONTH											
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
<b>TOTAL: 148</b>	0	0	70	1	0	0	28	0	0	29	20	0

**ANALYSIS**

Throughout the year in review, the Financial Intelligence Unit (FIU) received a variety of reports for analytical assessment, including:

- Inter-Agency Reports (IARs): ninety-nine (99)
- Suspicious Transaction Reports (STR's): seven hundred and twenty-four (724)
- Foreign Agency Reports (FARs): sixty-six (66)



Upon receipt, these reports are assigned to analysts within the respective sections for evaluation. The assignment and analysis are conducted as soon as practicable, with completion deadlines determined based on the complexity and nature of each matter.

The FIU classifies cases into two main statuses:

1. **Open Case Status:** Refers to reports or requests that are currently in the process of being analyzed by the FIU.
2. **Closed Case Status:** Indicates that the FIU has completed its work on the reports or requests. The closure of a case may occur through one of the following processes:
  - The analysis is completed, and no further action is required.
  - The case is reviewed, and a determination is made to close it without further analysis.
  - Analysis is completed, and the matter is referred to Law Enforcement Agencies (LEAs), the respective supervisory authority, or Foreign Financial Intelligence Units (FFIUs) for further action.

**TABLE 13**  
**STATUS OF MATTERS**

CASE STATUS	SUBMISSION TYPE			
	STRs	IARs	FARs	TOTAL
Received in 2023	724	99	66	889
Received and Closed in 2023	108	54	13	175
Received in Previous Years and Closed in 2023	<b>669</b>	<b>114</b>	<b>63</b>	<b>846</b>

During the reporting period the FIU closed a total of **one thousand and twenty-one (1,021) cases**, which represents a 110% increase in closed cases over the previous year.

## STATUS OF MATTERS



## OBTAINING OF INFORMATION

### PRODUCTION ORDERS

In accordance with Section 4(2)(d) of its governing legislation, the Financial Intelligence Unit (FIU) issued a total of two thousand two hundred and twenty-five (2,225) production orders during the year 2023.

These orders were critical in the performance of the FIU's duties, ensuring timely access to necessary information for effective financial crime investigations. In addition to production orders being sent out, the FIU also issued numerous follow-up requests to institutions when there were delays in responding to production orders issued.

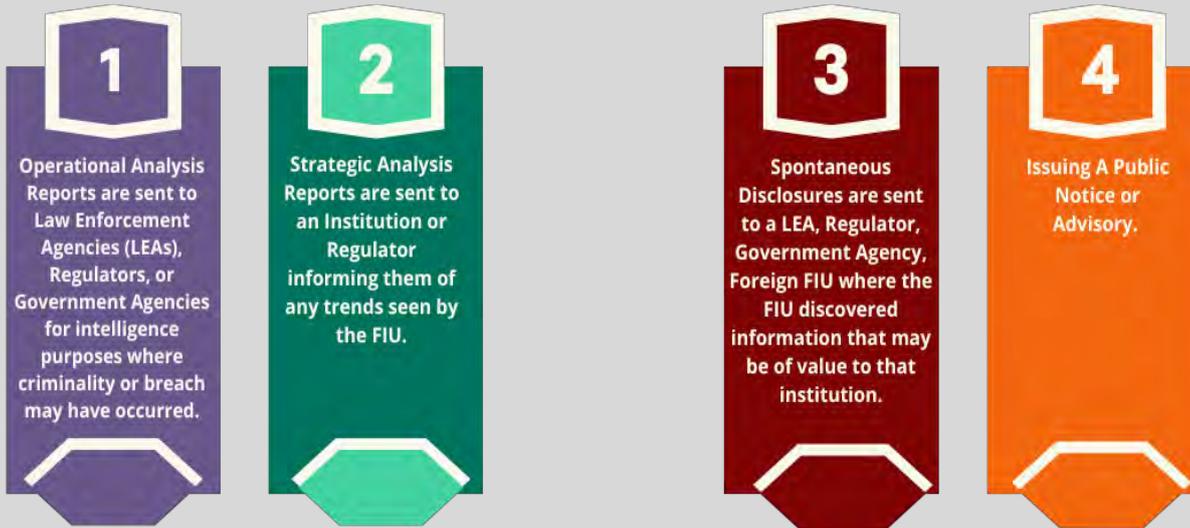
Table 14 outlines the number of Production Orders (POs) sent out in 2023.

**TABLE 14**  
**PRODUCTION ORDERS ISSUED IN 2023**

INSTITUTIONS TYPE	TOTAL
Banks	1303
Stockbrokers	3
Financial Advisors	2
Insurance Companies	6
Trust Companies	85
Company Service Providers	10
Lawyers	3
Investment Administrators	34
Digital Assets Business	1
Law Enforcement Agencies	29
Law Firms	2
Gaming Establishments	82
Local Regulators	39
Casinos	39
Credit Unions	144
Money Remittance Services	46
Non-Bank Entities	13
Real Estate Company	1
Securities	1
Other Government Agencies	382
<b>Total</b>	<b>2225</b>

## DISSEMINATION OF INFORMATION

The Financial Intelligence Unit (FIU) employs a structured process for disseminating information, which includes:



**Spontaneous Disclosures:** It is important to note that spontaneous disclosures can be issued prior to the completion of a full analysis. This practice is employed when the FIU determines that the information is of immediate relevance and should be shared urgently for intelligence purposes. Throughout the year, the FIU disseminated various reports and information to Law Enforcement Agencies, Regulators, and other Government Agencies. The specifics of these disseminated reports and information are detailed in Table 15.

**TABLE 15**  
**MATTERS DISSEMINATED TO VARIOUS AGENCIES IN 2023**

AGENCIES	TYPE OF DISCLOSURES		
	OPERATIONAL ANALYSIS REPORTS	SPONTANEOUS DISCLOSURES	STRATEGIC ANALYSIS REPORTS
Law Enforcement Agencies	16	112	7
Regulators	0	14	0
Other Government Agencies	0	7	0
<b>TOTAL</b>	<b>16</b>	<b>133</b>	<b>7</b>

### SPONTANEOUS DISCLOSURES SENT TO FOREIGN FINANCIAL INTELLIGENCE UNITS

In 2023, the Financial Intelligence Unit (FIU) significantly increased its international outreach by sending a total of 116 Spontaneous Disclosures to Foreign Financial Intelligence Units (FFIUs). This represents a remarkable 213.51% increase compared to the thirty-seven (37) disclosures sent in 2022.

These spontaneous disclosures are crucial for international cooperation and the effective fight against financial crimes. They involve proactively sharing information with foreign counterparts that may be of value to their investigations or regulatory efforts.

The countries to which these disclosures were sent are detailed in Table 16.

**TABLE 16**  
**COUNTRIES LISTING OF SPONTANEOUS DISCLOSURES SENT TO FOREIGN FINANCIAL INTELLIGENCE UNITS**

COUNTRIES	NUMBERS
Angola	1
Australia	1
Belgium	1
Brazil	9
Canada	8
Dominican Republic	3
El Salvador	1
France	3
Germany	1
Greece	1
India	2
Ireland	1
Israel	1
Italy	5
Jamaica	2
Japan	1
Malta	2
Mexico	1
Nigeria	2
Panama	1
Philippines	1
Poland	1
Portugal	1
South Africa	4
Spain	2
Switzerland	7
Thailand	2
Turkey	2
Turks and Caicos Islands	1
United Arab Emirates	2
United Kingdom	7
United States of America	37
Venezuela	2
<b>Total</b>	<b>116</b>



## PUBLIC NOTICES AND ADVISORIES

During the year 2023, the Financial Intelligence Unit (FIU) published a total of four (4) public notices. These notices were disseminated through various channels to ensure broad visibility and accessibility:

- **FIU Webpage**
- **The Bahamas Government’s Webpage**
- **e-Filing Portal Dashboard**

These public notices served to communicate important updates, guidelines, and regulatory information to stakeholders, enhancing transparency and engagement with the financial community.

SUBJECT	NUMBER
FIU Notice to Money Laundering Reporting Officers (MLROs)	1
FIU Notices to Financial Institutions	3
<b>TOTAL</b>	<b>4</b>



**THE FIU WEBSITE**  
<https://www.fiubahamas.org.bs>



**THE BAHAMAS GOVERNMENT WEBSITE**  
<https://www.bahamas.gov.bs/finance>



**THE E-FILING PORTAL DASHBOARD**  
<https://www.fiuconnect.fiubahamas.bs>

# LOCAL & INTERNATIONAL CASES





# LOCAL CASE STUDIES

## FIU BAHAMAS LOCAL CASE STUDIES

### CASE STUDY # 1.

#### BACKGROUND:

The Financial Intelligence Unit (FIU) of The Bahamas received a Suspicious Transaction Report (STR) from a financial institution regarding Subject X, who made a wire transfer totaling \$250,000 from a foreign financial institution. This transaction raised concerns due to Subject X's involvement in a high-profile investment fraud scheme.

#### DETAILS OF THE CASE:

- **Investment Fraud Scheme:** Subject X, along with three entities owned by them, was allegedly involved in an investment fraud scheme. Subject X raised \$122 million from over seven hundred investors through five unregistered securities offerings, three debt funds, and two equity funds.
- **Misuse of Funds:** Out of the \$122 million raised, \$54 million was directed to three entities owned by Subject X for oil and gas projects. However, it was later revealed that Subject X made material misrepresentations regarding the production potential of these wells. Instead of investing in the advertised oil and gas ventures, Subject X allegedly used the investor funds to purchase a private jet, a helicopter, real estate in The Bahamas, and made other non-oil and gas expenditures.



#### RED FLAG INDICATORS:

1. **Third-Party Deposits:** Deposits made by Subject X from accounts listed in the ongoing investigation indicated suspicious activity, suggesting potential laundering of funds or attempts to obscure the source of money.
2. **Source of Funds:** The source of the funds listed was from entities owned by Subject X, which are under scrutiny due to their involvement in the fraudulent scheme.
3. **Large Cash Deposit:** A substantial cash deposit was made by Subject X from an alleged investment account to a legal institution for property acquisition in The Bahamas. This large transaction, coupled with the source of funds, raised red flags about the legitimacy and origin of the funds.

#### OUTCOME:

The FIU's analysis and subsequent investigation into these indicators revealed significant inconsistencies and fraudulent activities. As a result, the case was escalated to law enforcement agencies for further investigation and action.



The information provided by the FIU was crucial in uncovering the fraudulent activities and ensuring that appropriate measures were taken to address the misconduct.

## CONCLUSION:

This case underscores the importance of monitoring and investigating suspicious transactions, particularly those involving large sums of money and significant purchases that deviate from the purpose of the funds.

The FIU's vigilance and thorough analysis helped identify key red flags, contributing to the broader efforts to combat financial crimes and protect the integrity of the financial system in The Bahamas.

## CASE STUDY # 2.

### BACKGROUND:

An individual was arrested in connection with a human trafficking case where a woman reported being coerced into prostitution upon her arrival in The Bahamas. Her passport was withheld, and she was forced into illegal activities. Although this case was primarily about human trafficking, it intersected with money laundering, as the proceeds from the trafficking were considered criminal gains.

### DETAILS OF THE CASE:

- **Human Trafficking Incident:** The victim was brought to The Bahamas under the guise of a babysitter job, but upon arrival, she had her passport confiscated and was forced into prostitution. The case gained media attention, prompting further investigation by the FIU.
- **Financial Analysis:** An analysis of the subject's financial records and travel history revealed irregularities:
  - The subject was listed as a fully employed salesperson. However, there were no recorded salary payments to her bank accounts, which were expected to receive approximately \$850.00 monthly.
  - Instead of salary payments, the account received credits from her employer's personal savings accounts at various local financial institutions. These credits varied from \$200.00 to \$125,000.00 in single transactions, and included cash, cheques, and bank transfers.
  - A significant portion of these funds was withdrawn in The Dominican Republic or routed back to the employer under different aliases.
  - Over a two (2) year period, the subject received a total of \$422,450.00 from her employer's personal account, without ever officially receiving a salary.



# INTERNATIONAL CASE STUDIES

## EGMONT GROUP INTERNATIONAL CASE STUDIES

### CASE STUDY # 1.

The Jameson's, a criminal family that operated in a European country, decided to launder their wealth by purchasing a building in southern Europe worth almost US\$1,500,000. They financed the investment with a bank loan for which two life insurance policies totaling more than US\$200,000 were lodged as security. Cheques drawn on a notary and on a European foreign exchange office, rather than the individuals involved had paid these insurance contracts.

As the insurance company thought that this transaction was unusual, it decided to disclose it to the national FIU. On receipt of the report the FIU began a financial investigation. The financial analysts assigned to the case discovered that the monies behind the cheques, supporting the policy, had been deposited in cash on the same day in two other European countries.

Furthermore, the individual who placed the money was known by the police of one of the countries for his links with a criminal serving time in prison for money laundering on behalf of a European criminal organization heavily involved in drugs trafficking.

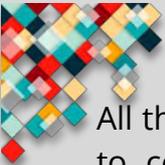
During the investigation, the analysts also discovered that the Jameson's had conducted several similar real estate investments, in recent years for a total amount of more than US\$17,000,000, including a castle and some other buildings in the same South European area. A bank had not financed these investments but 'Speedy Inc.,' a company controlled by the Andersons, a family from the same country as the Jameson's.

The Jameson family had also registered plans with the local authorities to establish a casino in the castle. The construction costs for this casino were estimated at over US\$3,500,000. One of the Jamesons was also acting on behalf of a company located in America, involved in the repurchasing of debt secured on properties in the South European area.

The Andersons had recently bought in France two speedboats for about US\$17,000,000 from a European shipyard controlled by a member of the Jameson family. This shipyard had recently opened a subsidiary in the south European area, for which a local bank had sent a suspicious transaction report to the national FIU, in respect of the large cash transactions moving through the company accounts.

A further interesting aspect identified by the analysts was that the Jameson's did not have a way of life that matched the number of known investments in Europe. They had only small incomes and lived in an inexpensive house that was financed entirely by a mortgage. Furthermore, according to

the local anti-drugs agencies where they lived the family had links with a criminal known to be involved in drugs trafficking.



All this information, coupled with information received from two other FIUs, lead the analysts to conclude that they were dealing with the financial transactions of a major criminal organization. They therefore decided to forward the case to the public prosecutor, as did the two other FIUs in their respective countries. The public prosecutor started legal proceedings on charges of money laundering.

During the investigations by law enforcement, it was discovered that the Jamesons were also known for smuggling stolen luxury cars in the early nineties, which could have formed the seed capital for their current wealth and criminal activities. "(FIU's in action: 100 cases from Egmont Group. Concealment within business structures. Case 6. p. 17)".<sup>1</sup>



### RED FLAG INDICATORS

- ▶ Unusually complex method of purchasing financial products.
- ▶ Large-scale cash transactions.
- ▶ A typical wealth compared to client profile.

### CASE STUDY # 2.

A bank noticed that a business account that had been dormant for some years suddenly became active with large-scale fund transfers. The bank account was originally registered to a company registered in an offshore jurisdiction. After US\$150,000 was credited into the account, the firm used the funds to buy shares of a recently privatized Eastern-European company 'ABC Corp'.

Three months later Brian, the representative who originally opened the account, deposited a total amount of US\$250,000 in cash into the company account. Immediately after depositing the money, he wanted to transfer US\$100,000 into a personal account at another bank. He claimed that the money came from his personal funds.

When the bank asked him about the origin of these personal funds, he submitted commercial documentation showing that he had sold shares of ABC Corp worth US\$150,000 for US\$250,000 to another Eastern-European company 'DEF Corp'. The difference of US\$100,000 Brian explained as risk compensation, in the event the initial US\$150,000 worth of shares invested in company ABC had been devalued. This would have been a high return on capital when one considers that a return of US\$100,000 over just three months would have equaled an annual interest rate of over 200 percent.

The bank disclosed the transactions to the national FIU. By checking the records of its own intelligence and financial databases and liaising with other Egmont members, the FIU developed information that indicated Brian was the real owner of the offshore company. Also, it was discovered that Brian was a member of the board of directors of the company ABC.

This suggested that the shares in the company ABC might well have been knowingly sold at a low value to the offshore company before being sold onwards for a higher price to a third party.

It revealed, Brian siphoned off US\$100,000 profit by using his own offshore company as a 'hidden' stage in the share transfer.

The FIU notified the corresponding law enforcement authorities that Brian was suspected of money laundering and fraud. As a result of the police investigation, Brian was arrested and prosecuted, with the court also confiscating the US\$100,000 involved. "(FIU's in action: 100 cases from Egmont Group. Concealment within business structures. Case 5. p. 16)".<sup>2</sup>



## RED FLAG INDICATORS

- ▶ Unusually high rates of return for a low-risk business activity.
- ▶ Unrealistic explanation given by customer for account activity.
- ▶ Re-activation of dormant account.



<https://www.jfiu.gov.hk/info/doc/21-100casesgb.pdf><sup>1</sup>

<https://www.jfiu.gov.hk/info/doc/21-100casesgb.pdf><sup>2</sup>



## CONCLUSION

The 2023 Annual Report highlights the Financial Intelligence Unit's (FIU) unwavering commitment to upholding the integrity of the Bahamas' financial system. In a landscape where financial crimes are continually evolving, the FIU remains vigilant and adaptable, ensuring that the Bahamas maintains the highest standards of financial security and transparency.

Throughout the year, the FIU has strengthened its operational framework, enhancing its capabilities in detecting and preventing financial crimes. By leveraging the latest technological advancements and adopting best practices, the FIU has stayed ahead of emerging threats, demonstrating an initiative-taking approach to safeguarding the financial system.

Looking forward, the FIU reaffirms its dedication to fostering collaborative relationships with stakeholders. Our efforts to combat financial crimes are built on trust and mutual respect, recognizing that unity is crucial in addressing these challenges. We are committed to engaging with partners both locally and internationally to fortify our collective defenses against illicit activities.

The FIU's commitment extends to the initiative-taking development of cost-effective initiatives that demonstrate our dedication to fulfilling our mandate. Embracing innovation and adaptability is essential in today's complex financial landscape, and we are determined to explore new opportunities to enhance our operations.

Public awareness and education remain central to our strategy. By fostering a culture of compliance and vigilance, we empower individuals and organizations to protect themselves against financial crimes. Our outreach programs and educational initiatives play a critical role in strengthening the financial sector's resilience.

As we move forward, the FIU remains steadfast in its mission to safeguard the financial system and protect our stakeholders. With a solid foundation of accomplishments and a clear vision for the future, we are confident in our ability to uphold our responsibilities and drive positive change in the realm of financial intelligence.

Our commitment to continuous improvement ensures that our operations remain efficient and effective. By regularly reviewing and refining our processes, we incorporate feedback and adopt best practices, reflecting our dedication to excellence.

In conclusion, the FIU's dedication to maintaining the integrity of the Bahamas' financial system is unwavering. We are proud of our achievements and remain committed to building on this strong foundation. Guided by our focus on innovation, collaboration, and excellence, we look forward to navigating future challenges and opportunities together.

Thank you for your continued support and partnership as we strive to protect the financial integrity of the Bahamas.

# ABBREVIATION AND TERMS



## FOR YOUR INFORMATION

<b>AML</b>	Anti-Money Laundering
<b>ATA</b>	Anti-Terrorism Act 2018
<b>CBOB</b>	Central Bank of The Bahamas
<b>CCB</b>	Compliance Commission of The Bahamas
<b>CFATF</b>	Caribbean Financial Action Task Force
<b>CFT</b>	Counter Financing of Terrorism
<b>CPF</b>	Counter Proliferation Financing
<b>DNFBP</b>	Designated Non-Financial Business or Profession
<b>DRO</b>	Designated Reporting Officer
<b>ECOFEL</b>	Egmont Centre of FIU Excellence & Leadership
<b>EG</b>	Egmont Group
<b>ESW</b>	Egmont Secure Website
<b>FAR</b>	Foreign Agency Request
<b>FATF</b>	Financial Action Task Force
<b>FCU</b>	Financial Crimes Unit
<b>FFIU</b>	Foreign Financial Intelligence Unit
<b>FI</b>	Financial Institution
<b>FIU</b>	Financial Intelligence Unit
<b>FIUA</b>	Financial Intelligence Unit Act
<b>FSRB</b>	FATF Styled Regional Body
<b>FTRA</b>	Financial Transaction Reporting Act 2018
<b>FUR</b>	Follow-up Report

<b>GBB</b>	Gaming Board for The Bahamas
<b>GFSR</b>	Group of Financial Service Regulators
<b>HOFIU</b>	Head of Financial Intelligence Unit
<b>IAR</b>	Inter-Agency Report
<b>ICB</b>	Insurance Commission of The Bahamas
<b>IRF</b>	Identified Risk Framework
<b>IT</b>	Information Technology
<b>LEA</b>	Law Enforcement Agency
<b>ME</b>	Mutual Evaluation
<b>ML</b>	Money Laundering
<b>MLRO</b>	Money Laundering Reporting Officer
<b>MOU</b>	Memorandum of Understanding
<b>PEP</b>	Politically Exposed Person
<b>PF</b>	Proliferation Financing
<b>PO</b>	Production Order
<b>POCA</b>	Proceeds of Crime Act 2018
<b>R.29</b>	Recommendation 29 (FATF)
<b>RBPF</b>	Royal Bahamas Police Force
<b>SCB</b>	Securities Commission of The Bahamas
<b>STR</b>	Suspicious Transaction Report
<b>TPR</b>	Terrorist Properties Report
<b>UNODC</b>	United Nations Office on Drugs & Crime

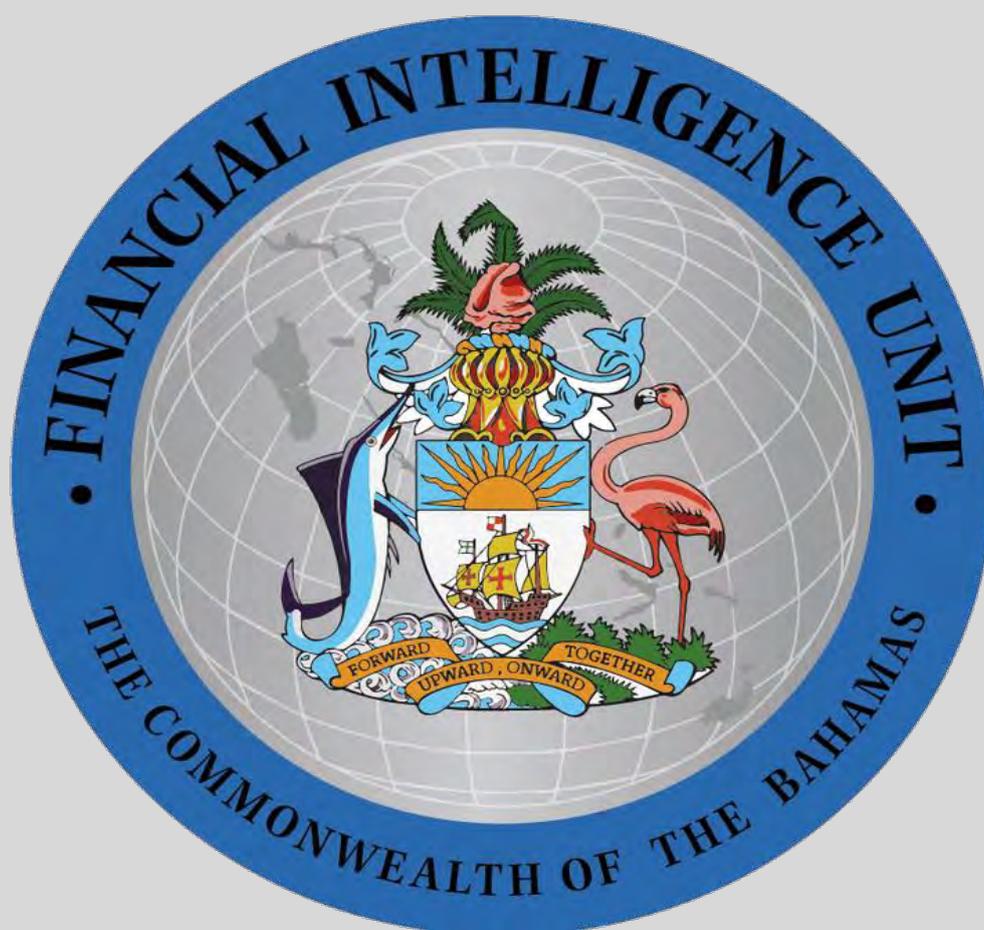


# AUDITED FINANCIAL STATEMENTS AND AUDITOR'S REPORT

Financial Statements of

**FINANCIAL INTELLIGENCE UNIT BAHAMAS**

DECEMBER 31<sup>ST</sup>, 2023



Financial Statements of

**FINANCIAL INTELLIGENCE UNIT**

December 31, 2023

# FINANCIAL INTELLIGENCE UNIT

## Financial Statements

December 31, 2023

### C O N T E N T S

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## INDEPENDENT AUDITORS' REPORT

To the Director of  
**FINANCIAL INTELLIGENCE UNIT**

### *Opinion*

We have audited the financial statements of the Financial Intelligence Unit ("the Organization"), which comprise the statement of financial position as at December 31, 2023, and the statements of comprehensive(loss)/income, changes in accumulated fund and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities ("IFRS for SMEs").

### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in The Bahamas, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

**INDEPENDENT AUDITORS' REPORT (continued)***Auditors' Responsibilities for the Audit of the Financial Statements*

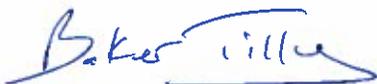
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**CHARTERED ACCOUNTANTS**

June 17, 2024  
Nassau, Bahamas

# FINANCIAL INTELLIGENCE UNIT

## Statement of Financial Position

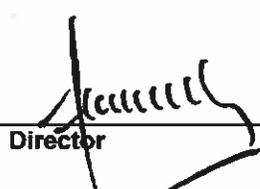
December 31, 2023

(Expressed in Bahamian dollars)

	2023	2022
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents (Note 3)	\$ 151,928	\$ 328,171
Accounts and other receivables (Note 8)	30,526	12,992
Prepaid expenses	57,322	127,544
Other assets	63,523	4,473
<b>Total current assets</b>	<b>303,299</b>	<b>473,180</b>
<b>Non-current assets:</b>		
Fixed assets (Note 4)	891,972	905,150
<b>Total assets</b>	<b>\$1,195,271</b>	<b>\$1,378,330</b>
<b>LIABILITIES AND ACCUMULATED FUND</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses (Note 5)	\$ 262,613	\$ 344,085
Gratuity payable (Note 6)	248,273	204,832
<b>Total liabilities</b>	<b>510,886</b>	<b>548,917</b>
<b>Accumulated fund:</b>		
Accumulated surplus	684,385	829,413
<b>Total liabilities and accumulated fund</b>	<b>\$1,195,271</b>	<b>\$1,378,330</b>

See accompanying notes. See Independent Auditors' Report on pages 1 and 2.

These financial statements were approved on behalf of the Organization on June 17, 2024, and signed on its behalf by:

  
\_\_\_\_\_  
Director

# FINANCIAL INTELLIGENCE UNIT

## Statement of Comprehensive (Loss)/Income

For the year ended December 31, 2023

	2023	2022
<b>INCOME</b>		
Government contributions (Notes 7, 8)	\$3,488,401	\$3,488,401
Other	64,087	51,267
	<u>3,552,488</u>	<u>3,539,668</u>
<b>EXPENSES</b>		
Salaries and other employee benefits (Notes 8, 9)	2,268,426	1,809,635
Rent (Note 11)	376,733	258,906
IT expenses	201,958	110,092
Depreciation (Note 4)	128,066	84,682
Office expenses	124,657	45,900
VAT	113,451	71,147
Utilities	106,399	93,798
Conferences, seminars and meetings	100,173	50,459
Training and tuition	85,468	33,656
Travel and entertainment	49,455	42,675
Repairs and maintenance	31,346	3,335
Loss on disposal of fixed assets	22,353	-
Parking	21,796	26,623
Vehicles	16,583	15,187
Printing	15,938	7,667
Computer supplies	8,901	1,275
Professional fees	7,600	7,590
Bank charges	7,338	6,870
Affiliation fees	5,613	5,802
Miscellaneous (Note 10)	3,001	4,001
Shipping costs	2,261	534
	<u>3,697,516</u>	<u>2,679,834</u>
<b>EXCESS OF (EXPENSES)/INCOME OVER INCOME/(EXPENSES)</b>	<b>\$ (145,028)</b>	<b>\$ 859,834</b>

See accompanying notes. See Independent Auditors' Report on pages 1 and 2.

## FINANCIAL INTELLIGENCE UNIT

### Statement of Changes in Accumulated Fund

For the year ended December 31, 2023

	Accumulated Surplus/(Deficit)	Total
<b>Balance at December 31, 2021</b>	\$ (30,421)	\$ (30,421)
Excess of income over expenses	859,834	859,834
<b>Balance at December 31, 2022</b>	829,413	829,413
Excess of expenses over income	(145,028)	(145,028)
<b>Balance at December 31, 2023</b>	\$ 684,385	\$ 684,385

See accompanying notes. See Independent Auditors' Report on pages 1 and 2.

# FINANCIAL INTELLIGENCE UNIT

## Statement of Cash Flows

For the year ended December 31, 2023

	2023	2022
<b>CASH PROVIDED BY/(USED IN):</b>		
<b>Cash flows from operating activities:</b>		
Excess of (expenses)/income over income/(expenses)	\$(145,028)	\$ 859,834
Adjustments for:		
Depreciation	128,066	84,682
Loss on disposal of property, plant and equipment	22,353	-
<b>Cash provided by operating activities before changes in operating assets and liabilities</b>	<b>5,391</b>	<b>944,516</b>
<b>(Increase)/decrease in operating assets</b>		
Accounts and other receivables	(17,534)	(5,717)
Prepaid expenses	70,222	(101,831)
Other assets	(59,050)	-
<b>Increase/(decrease) in operating liabilities</b>		
Accounts payable and accrued expenses	(81,472)	94,286
Gratuity payable	43,441	13,125
<b>Net cash (used in)/provided by operating activities</b>	<b>(39,002)</b>	<b>944,379</b>
<b>Cash flows from investing activities:</b>		
Additions to fixed assets	(137,241)	(612,047)
Disposal of fixed assets	-	(9,333)
<b>Net cash used in investing activities</b>	<b>(137,241)</b>	<b>(621,380)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(176,243)</b>	<b>322,999</b>
Cash and cash equivalents, beginning of year	328,171	5,172
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 151,928</b>	<b>\$ 328,171</b>
<b>Represented by:</b>		
Cash and cash equivalents (Note 3)	\$ 151,928	\$ 328,171

See accompanying notes. See Independent Auditors' Report on pages 1 and 2.

# FINANCIAL INTELLIGENCE UNIT

## Notes to Financial Statements

December 31, 2023

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### 1. GENERAL

The Financial Intelligence Unit (the "Organization") was established on December 29, 2000 under the Financial Intelligence Unit Act, 2000 of the Commonwealth of The Bahamas.

The Organization is responsible for receiving, analyzing, obtaining and disseminating information that concerns the proceeds of crime in an effort to combat money laundering, terrorist financing and proliferation financing in the Commonwealth of The Bahamas.

The registered office of the Organization is located at 3<sup>rd</sup> Floor, Norfolk House, Frederick Street, P.O. Box SB-50086, Nassau, Bahamas.

These financial statements were authorized for issuance by the Director on June 17, 2024.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Statement of compliance

The financial statements of the Organization have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities ("IFRS for SMEs") as issued by the IASB. The accounting policies set out below have been consistently applied to all periods presented, unless otherwise stated.

#### b) Basis of preparation

These financial statements have been prepared on the historical cost basis. The financial statements are expressed in Bahamian dollars which is the functional and reporting currency of the Organization.

#### c) Use of estimates and judgments

The preparation of financial statements in compliance with the IFRS for SMEs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Notes 2(e), 4 - Fixed assets

# FINANCIAL INTELLIGENCE UNIT

## Notes to Financial Statements

December 31, 2023

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, prepaid debit card balances and cash at bank.

#### e) Fixed assets

Fixed assets are stated at cost less accumulated depreciation/amortization and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of an item. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Organization and the cost of the item can be measured reliably. All repairs and maintenance are charged to the statement of comprehensive (loss)/income during the financial period in which they are incurred.

Depreciation/amortization is provided on a straight-line basis over the useful lives of the following assets:

Furniture and fixtures	-	5-7 years
Vehicles	-	5 years
Other equipment	-	5 years
Computer equipment	-	3-7 years
Computer software	-	3-7 years
Communication equipment	-	3-7 years
Upgrade project	-	7 years
Leasehold improvements	-	7-10 years

Work-in-progress (WIP) is not depreciated. Any gain or loss arising on the disposal of fixed assets is determined as the difference between the sales proceeds and the carrying amount of the asset sold and is recognized in the statement of comprehensive (loss)/income.

#### f) Related parties

Related parties represent entities or individuals that can exercise significant influence or control over the operations and policies of the Organization. All related party transactions and balances are shown in these financial statements as such.

#### g) Revenue and expense recognition

Government contributions are recognized in the statement of (loss)/income on a systematic basis over the periods in which the Organization recognizes as expenses the related costs for which the contributions are intended to be used. The operations of the Organization are primarily funded through the contributions received from the Government of The Bahamas.

All expenses are recorded on the accrual basis in the statement of comprehensive (loss)/income.

#### h) Gratuity payable

Full time employees are eligible for a gratuity of 4% of their annual salary for each year after 10 years of continuous service. Contracted employees are eligible for a gratuity of 15% after successful completion of their contractual term (usually 3 years).

# FINANCIAL INTELLIGENCE UNIT

## Notes to Financial Statements

December 31, 2023

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### i) Defined contribution plan

In June 2019, the Organization adopted a defined contribution pension plan (the "Plan") for its employees. The Plan is contributory with both the Organization and the eligible employees (the "members") making contributions. Colina Financial Advisors Ltd. ("CFAL") acts as both the investment manager and pension administrator for the Plan.

Employees become eligible to join the Plan after six months of continuous service with the Organization. Participation in the Plan is mandatory for full-time employees. Contracted employees are eligible to join the Plan but their contributions are not matched by the Organization. Payments to the Plan by the Organization are expensed as incurred.

Members are required to contribute between 2 - 5% of all eligible earnings which are matched by the Organization for full-time employees. Eligible earnings consist of all remuneration paid by the employer with the exception of overtime pay, bonuses, and allowances.

Members, at their option, are allowed to make voluntary contributions which are above the 5% threshold, which are not matched by the Organization. Members may withdraw voluntary contributions once per year but are prohibited from withdrawing the mandatory contributions.

A member whose service is terminated for any reason is entitled to their employee contributions.

Vesting entitlement in the Organization's contributions is as follows:

<u>Years of service</u>		<u>Vested</u>
0 but less than 2 years	-	0%
2 but less than 3 years	-	20%
3 but less than 4 years	-	40%
4 but less than 5 years	-	80%
Five years and over	-	100%

#### j) Lease

The lease is classified as an operating lease. Rent payable under the operating lease is charged to the statement of comprehensive (loss)/income on a straight-line basis over the term of the lease.

# FINANCIAL INTELLIGENCE UNIT

## Notes to Financial Statements

December 31, 2023

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### 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	<b>2023</b>	<b>2022</b>
Cash on hand	\$ 1,452	\$ 405
Debit cards	8,274	9,233
Cash at bank		
Current accounts - Bank of The Bahamas Limited	142,202	318,533
	<b>\$151,928</b>	<b>\$328,171</b>

The Organization provides prepaid debit cards to the Director to pay for expenses related to the Organization.

# FINANCIAL INTELLIGENCE UNIT

Notes to Financial Statements

December 31, 2023

## 4. FIXED ASSETS

Fixed assets comprise the following:

Cost	Furniture and										Total
	Computer Equipment	Communication Equipment	Other Equipment	Fixtures	Vehicles	Computer Software	Upgrade Project	Leasehold Improvement	WIP		
Balance as at December 31, 2021	\$ 357,325	\$ 30,551	\$ 92,483	\$ 222,336	\$ 83,288	\$ 151,063	\$ 379,929	\$ -	\$ -	\$ -	\$ 1,316,975
Additions	9,957	3,472	-	243,354	-	-	-	285,569	69,695	-	612,047
Disposals	-	(728)	-	(23,397)	-	-	-	-	-	-	(24,125)
Balance as at December 31, 2022	367,282	33,295	92,483	465,690	59,891	151,063	379,929	285,569	69,695	-	1,904,897
Additions	35,543	1,649	17,892	46,516	-	-	-	35,641	-	-	137,241
Adjustment	-	-	-	69,695	-	-	-	-	(69,695)	-	-
Disposals	-	-	-	(182,823)	-	-	-	-	-	-	(182,823)
Balance as at December 31, 2023	402,825	34,944	110,375	399,078	59,891	151,063	379,929	321,210	-	-	1,859,315
<b>Accumulated depreciation/amortization</b>											
Balance as at December 31, 2021	345,653	26,604	83,445	217,563	66,136	69,013	140,109	-	-	-	948,523
Charge for the year	4,309	4,764	9,038	766	14,998	21,338	54,276	-	-	-	109,489
Adjustments	(6,330)	-	-	(18,477)	-	-	-	-	-	-	(24,807)
Disposal	-	(263)	-	-	(33,195)	-	-	-	-	-	(33,458)
Balance as at December 31, 2022	343,632	31,105	92,483	199,852	47,939	90,351	194,385	-	-	-	999,747
Charge for the year	8,146	1,301	965	23,239	11,952	17,480	54,276	10,707	-	-	128,066
Adjustments	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	(160,470)	-	-	-	-	-	-	(160,470)
Balance as at December 31, 2023	351,778	32,406	93,448	62,621	59,891	107,831	248,661	10,707	-	-	967,343
<b>Net book value as at</b>											
December 31, 2022	\$ 23,650	\$ 2,190	\$ -	\$ 265,838	\$ 11,952	\$ 60,712	\$ 185,544	\$ 285,569	\$ 69,695	\$ -	\$ 905,150
December 31, 2023	\$ 51,047	\$ 2,538	\$ 16,927	\$ 336,457	\$ -	\$ 43,232	\$ 131,268	\$ 310,503	\$ -	\$ -	\$ 891,972

# FINANCIAL INTELLIGENCE UNIT

## Notes to Financial Statements

December 31, 2023

### 5. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses are comprised of the following:

	2023	2022
Accrued expenses	\$225,823	\$195,580
Accounts payable	27,255	143,550
Other payables	9,535	4,955
	<b>\$262,613</b>	<b>\$344,085</b>

Included in accrued expenses is accrued vacation liability of \$218,313 (2022: \$188,080).

Accounts payable includes \$Nil (2022: \$140,361) owed on renovation of Poinciana House.

### 6. GRATUITY PAYABLE

Gratuity payable comprises the following:

	2023	2022
Gratuity payable – full-time employees	\$195,573	\$170,482
Gratuity payable – contracted employees	52,700	34,350
	<b>\$248,273</b>	<b>\$204,832</b>

### 7. GOVERNMENT CONTRIBUTIONS

Government contributions are derived from budget allocations by the Government of the Commonwealth of The Bahamas and are used by the Organization to cover capital costs and the operations of the Organization. Government contributions for the year were \$3,488,401 (2022: \$3,488,401).

### 8. RELATED PARTY BALANCES AND TRANSACTIONS

As at December 31, 2023, the related party balance is as follows:

	2023	2022
<b>Assets</b>		
Accounts and other receivables		
Employee advances	\$ 12,219	\$ 4,798

# FINANCIAL INTELLIGENCE UNIT

## Notes to Financial Statements

December 31, 2023

### 8. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Related party transactions during the year were as follows:

	Note	2023	2022
<b>Revenue</b>			
Government contributions	7	\$3,488,401	\$3,488,401
<b>Expenses</b>			
Salaries and other employee benefits:			
Key management personnel	9	\$ 620,475	\$ 586,064

### 9. SALARIES AND OTHER EMPLOYEE BENEFITS

Salaries and other employee benefits for the year were as follows:

	2023	2022
Salaries and related expenses	\$1,649,362	\$1,305,883
Employee benefits	537,964	431,648
Employee allowances	81,100	72,104
	\$2,268,426	\$1,809,635

Included in employee benefits is the pension plan expense in the amount of \$82,940 (2022: \$54,640) and medical insurance expense in the amount of \$309,027 (2022: \$224,178).

### 10. MISCELLANEOUS EXPENSES

Miscellaneous expenses for the year were as follows:

	2023	2022
Donations	\$ 1,596	\$ 3,401
Relocation	760	-
Alarm system	600	600
Other	45	-
	\$ 3,001	\$ 4,001

### 11. COMMITMENTS AND CONTINGENCIES

Effective October 1, 2022, the Organization entered into a 5-year lease agreement with Poinciana SPV Ltd for new office space. Rent paid under this agreement totaled \$210,371 (2022: \$63,405).

See Independent Auditors' Report pages 1 and 2.



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