



OUR VISION: Protecting Fiji from Money Laundering

www.fijifiu.gov.fj

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The Fight Against Money Laundering

As an intelligence agency of the Government, the Fiji Financial Intelligence Unit is tasked to combat Money laundering (ML) and other related criminal activities in Fiji. The FIU ensures the protection of Fiji and its financial system from such activities.

Money Laundering is simply defined as the process of converting cash/property derived from criminal activities to give it a legitimate appearance. The three main stages of money laundering process are:

- 1) **Placement:** stage where criminal tries to dispose of the "illegal" bulk cash and "dirty" money enters the financial system by way of deposits.
- 2) **Layering:** stage where criminal attempts to break the link between income and its illegal source by creating complex layers of financial transactions.
- 3) **Integration:** Final stage where criminal places the laundered proceeds back into financial system to make it appear as it was derived from a legitimate manner.

Tracking money launderers, terrorist financiers, and other associated criminals and their funds requires a range of knowledge and skills covering not only laws, regulations, analysis and investigations but also banking, finance and other financial related knowledge.



National AML Council Members

Financial investigations, which are critical in the fight against money laundering and terrorist financing, require access to financial data and related information.

For Fiji FIU, access to this information usually comes in various ways and means:

1. Financial institutions are obligated to report suspicious transaction reports (STRs) and other forms of financial reports to the FIU as required under the Financial Transactions Reporting (FTR) Act 2004;
2. Response to law enforcement investigations in which specific material such as financial information about individuals and entities linked to the case is required.

Every FIU should stand on a firm legislative basis, provided preferably by stand-alone legislation. In Fiji, the FIU is governed by the FTR Act.

Fiji's AML/CFT regime has been strengthened through inter-agency cooperation and networking with both the financial institutions as well as law enforcement authorities.

Financial Intelligence Units around the world provide a direct link between a nation's law enforcement authorities, administrative regulatory bodies and financial institutions.

In terms of national coordination, the FIU is actively involved with the National Anti-Money Laundering Council. The Council brings together expertise from various heads of agencies, namely the Permanent Secretary for Justice, the Director of Fiji FIU, the Governor of the Reserve Bank of Fiji, the Director of Public Prosecutions, Chief Executive Officer of Fiji Islands Revenue and Customs Authority and the Commissioner of Fiji Police Force. Invited members are the Director of Immigration, Deputy Commissioner Fiji Independent Commission against Corruption, Permanent Secretary, Ministry of Defence, National Security and Immigration, Permanent Secretary, Ministry of Finance and Permanent Secretary, Ministry of Foreign Affairs, International Co-operation.

Therefore, it is important to note that the FIU acts as an integral agency in Fiji's AML/CFT framework with its vision of **"Protecting Fiji from Money Laundering"**.



Fijian delegation at the 17th Annual Plenary meeting of the APG, Macao-China: July 2014.

From left: Jayneeta Prasad (ODPP), Adi Soloila Kubuabola (RBF), Razim Buksh (FIU), Anaseini Lomani (FICAC) and Sophina Ali (SG's Office).

FIU Website Revamped

The Financial Intelligence Unit (FIU) launched its newly designed website, www.fijifiu.gov.fj, on 23 September 2014. The FIU website first went live in 2007 with the aim to create awareness about money laundering, the role of FIU and to provide timely access to information by stakeholders.

The FIU website had not undergone any major changes since it was launched.

The revamp of the website provides a more corporate and user-friendly look.

The new features and functionalities of the newly designed FIU website include:

- A dynamic layout and design such as a photo slider at the top of the home page;
- User friendly navigation such as a search engine and site map;
- Cross browser responsiveness and screen compatibility;
- RSS Feeds and social network site integration

Although the content of the website has remained the same, it now provides an easy content access and management by users. The website content have been placed under the relevant menus. Useful information that is available on the website are as follows:

- Laws and Regulations – **Laws & Regulations;**
- Money laundering case laws – **Case Law;**
- Information for reporting financial institutions – **FTR Act Obligations;**
- Information for members of the public on types of identification documents required to open bank accounts – **FTR Act Obligations;**
- Presentations and speeches from the annual National AML Conferences, workshops and seminars conducted by the Fiji FIU – **Publications;**

- FIU policies and advisories on the FTR Act and Regulations – **Guidelines and Policy Advisories;**
- Links and contact details of local, regional and overseas stakeholders - **Links;**
- Other relevant information relating to the Fiji FIU – **Site Map;**

The above menus can be navigated through the FIU website site map which shows all the menus and its submenus.

The site map link is: <http://www.fijifiu.gov.fj/Other/Site-map.aspx>

The target audience of the FIU website includes financial institutions, law enforcement agencies, statutory bodies, academia, foreign agencies, international and regional partners and members of the public.

Please visit our website www.fijifiu.gov.fj and email your feedback on info@fijifiu.gov.fj.



Environmental Crime:

Is it of concern for Fiji?

Environmental Crime includes activities such as **illegal, unregulated** and **unreported** fishing, illegal logging and timber trade, illegal native vegetation clearance, illegal trade in fauna and flora and harms to biodiversity and illegal trade in prohibited and regulated substances.

Environmental crime can be linked to transnational crime and money laundering. In the Asia Pacific Region, illegal fishing and illegal logging is linked to other predicate offences of money laundering such as corruption and bribery, organized crime, smuggling offences, bank and other fraud.

There is a growing need for more domestic and international co-ordination and sharing of best practice standards and experience with other related offences to **“follow the money”** related to environmental crimes.

AML Compliance Officers of the financial institutions should be alert for indicators of environmental crime and look out for indicators such as closely monitoring the bank accounts of **“politically exposed persons”** and their family member accounts as there could be proceeds of crime derived from illegal fishing, illegal logging or corruption & bribery.



The proceeds of environmental crime is an emerging area of concern where further work needs to be undertaken to benefit Fiji and our region.

Anti-Money Laundering Learning Centre: Upgrade your Knowledge on Anti-Money Laundering

The Fiji FIU in conjunction with the computer based training (CBT) centre based at the Fiji FIU office provides courses electronically via stand-alone computers. The e-courses involve high quality voice, picture, graphics, videos, animations, inter-actions, simulation's and tests. This ensures that participants have an effective and enjoyable learning experience.

The Computer based training (CBT) centre based at the Fiji FIU Office provides courses electronically via stand-alone computers. The e-courses involve high quality voice, picture, graphics, videos, animations, interactions, simulations and tests. This ensures that participants have an effective and enjoyable learning experience. The e-courses available at the AML Learning Centre have been developed by the United Nations Office on Drugs & Crime (UNODC) using subject experts from around the world.

These UNODC e-courses are considered world-class having been delivered in more than 50 countries and more than 20 languages.

The objective of the e-courses is to provide the participants with basic knowledge and understanding of common and emerging organized crimes occurring globally and in our jurisdiction.

The CBT courses aims to assist the participants in preventing, detecting, investigating and prosecuting such crimes.

The CBT courses enable law enforcement officials to have a better understanding of serious organized crimes resulting in more effective investigation and prosecution of criminal activities which is beneficial for Fiji.

Financial institutions staff will develop better understanding of money laundering processes and the role of responsibilities in combating money laundering.

To download online copy of the the enrolment form please click on the following link: [CBT Application Form](#)



Report Fraudulent activities!!!

Financial Institutions: [CLICK HERE](#)

General Public: [CLICK HERE](#)

Financial Sectors & Vulnerability to Money Laundering: An Overview of the Real Estate and Property Sector in Fiji

There has been a long history of links between property transactions and money laundering. The issue with the real estate sector in Fiji is lack of detection and regulation concerning the sector prior to the coming into force of the FTR Act & Regulations.

The real estate sector has a number of features that makes it attractive for money launderers and as a result, many countries now include real estate agents among the class of professional "gatekeepers" required to legally comply with AML/CFT regulations.

One of the major attractions to money launderers of using the real estate sector is that property transactions can be structured to create cash flows of widely differing location, size and timing, from small periodic local cash rental payments to very large one-off international electronic sale and property purchase transfers.

Such transactions are used in many cases to move funds and equally to provide an avenue for other money laundering activity.

Property is often attractive as a final stage in the money laundering cycle as it enables high concentration of assets.

Property ownership is a common and perfectly legal activity which lends an impression of respectability and legitimacy to those engaged in it and thus aids money launderers gain the confidence of those they need to manipulate.

In Fiji's situation, the real estate sector is covered as a reporting financial institution under the FTR Act. Since the FTR Act reporting requirements came into force since January 2008, the Fiji FIU has received suspicious transaction reports from a local real estate agent.

Financial Transactions Reporting Act SCHEDULE (Section 2: Interpretation of Financial Institution):

" (q). a real estate agent or company when such a person is involved in a transaction for a customer in relation to the buying or selling of real estate"



An example of use of mortgages and property is whereby a lawyer was instructed by his client, a drug trafficker to deposit cash into lawyers trust account and then make routine payments on mortgages on properties beneficially owned by the drug trafficker. The lawyer received commission from sale of properties.

Examples of Money Laundering Schemes involving property would be:

- **Client spontaneously offers to pay generous commissions/fees.**
- **Frequent changes to instructions on handling of rental payments.**
- **Transaction inconsistent with client's apparent means, occupation or purpose.**

Real estate is an appealing way to hide and invest ill-gotten gains. This is because property is:

- **a big value investment - large sums of money can be 'cleaned' in a single transaction;**

- **a speculative market with 'real' values difficult to assess - with latitude to 'match' available criminal funds with suitable properties;**
- **capable of generating additional 'clean' profits - such as rental income and capital gain; and**
- **a relatively easy investment in which to hide real ownership - using lawyers and other intermediaries, trusts, companies and offshore entities.**

REGULATION BY REAL ESTATE BOARD (REALB) IN FIJI

18 real estate agents have had their licenses suspended this year because of their involvement in illegal activities, fraudulent conversion, and the non-refund of money.

Read more at:

<http://www.fbc.com.fj/fiji/4639/real-b-suspends-licenses#sthash.W4Zuxpx7.dpuf>

The Fiji FIU is keen to engage into a Memorandum of Understanding with **RealB** for more engagement, co-operation and networking and outreach for this particular sector.

TIP/ADVICE

Real estate agents who are regulated under **RealB** are also requested to register with the Fiji FIU for reporting requirements covered under the FTR Act & Regulations.

Contact details are provided on the last page of this Newsletter.

[Click here to download AML Compliance Officer Nomination Form](#)

Contact the FIU

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FIU e-Bulletin October 2014 is the first issue and we welcome any feedback and comments.

Should you require any clarifications or have any issues regarding any materials published in this bulletin, please contact: Mr. Avaneesh Raman on telephone 322 3283 or email avaneesh@rbf.gov.fj.

Disclaimer

The Fiji Financial Intelligence Unit issues this e-Bulletin to enhance information about Anti-Money laundering issues. Our goal is to keep this information timely and accurate. The FIU e-bulletin will be issued quarterly.

If errors are brought to our attention, we will try to correct them. However, the Unit accepts no responsibility or liability whatsoever with regard to the information in this e-Bulletin.

The disclaimer and the copyright apply accordingly to this newsletter and the data collected for its distribution.

NEXT QUARTER UPDATES

- Politically Exposed Persons
- Fiji prepares for a National AML/CFT Risk Assessment exercise.
- Human Trafficking: Red Flag indicators for Financial Institutions
- Case Studies and Typologies reports

UPCOMING EVENTS

APG Typologies Workshop

The 2014 Joint Experts' Meeting will bring together law enforcement experts, prosecutors, FIU and regulatory experts to discuss money laundering and terrorist financing trends and methods.

Location: Bangkok, Thailand

Date: 24/11/2014 - 28/11/2014

National AML Conference

January 2015 (Tentative)

Date and venue to be confirmed.

GLOSSARY OF TERMS

“gatekeepers”- professionals that provide non-traditional financial products and services and includes, lawyers, accountants and real estate agents.

“politically exposed persons” – persons who are or have been entrusted with a prominent public functions domestically or by a foreign country or by an international organisation.



Fiji FIU
Fiji Financial Intelligence Unit

New Customer Identification Requirements

1. Name
2. Date of Birth
3. Residential or Business Address
4. Occupation or Business Activity
5. Source of Funds or Income
6. Citizenship
7. Specimen Signature

Financial institutions covered under the Financial Transactions Reporting Act include:

commercial banks
credit & lending companies
insurance companies
money remittance agents
foreign exchange dealers
law firms
accounting firms
real estate agents
investment advisers, dealers
and brokers.

New Financial Transaction Reporting Requirements

1. Suspicious Transactions
2. \$10,000 Cash Transactions
3. Electronic Funds Transfer &
4. \$10,000 Border Currency Movements



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