



FijiFIU
Annual Report 2006

Our Vision

Combating money laundering and other serious crimes in Fiji

Our Mission

Our mission is to:

- **Formulate and implement strategies to combat money laundering, terrorist financing and other serious crime, to ensure the safety and integrity of Fiji's financial system;**
- **Ensure compliance with global standards on anti-money laundering and counter terrorist financing;**
- **Assist in the detection, investigation and prosecution of money laundering and terrorist financing offences;**
- **Provide timely, quality information and advice to our stakeholders; and**
- **Develop and utilise skilled staff.**

Our Core Functions

The FIU is responsible for:

- **The effective performance of all of the functions, duties and powers of the FIU pursuant to the FTR Act.**
- **Developing and implementing strategies for money laundering prevention and compliance.**
- **Handling and processing information obtained from financial institutions concerning suspicious, cash, electronic, terrorist financing and border currency transactions intelligence that might be intended for money laundering and other serious offences.**
- **Exchanging money laundering information with domestic and foreign counterpart agencies.**
- **Providing assistance to investigations conducted by domestic and foreign law enforcement agencies.**
- **Establishing and compiling databases concerning money laundering intelligence**
- **Identifying criminally derived assets and tainted properties.**

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1. Message from the Director

A Year Full of Challenges



The year 2006 has been a challenging one for the Financial Intelligence Unit (FIU). The year started off with the coming into force of the Financial Transaction (FTR) Act on 1st January 2006. Thus all sections of the FTR Act became effective on this date, except for requirements on reporting of cash transactions, electronic fund transfers and the reporting of currency exceeding \$10,000 by travellers into and out of Fiji.

The first major challenge for 2006 was the formal establishment of the FIU. While the Fiji FIU had been in place informally since 2003, the coming into effect of the FTR Act in January 2006 meant that we were now a formal agency established under law.

The first six months of the year was dedicated to resourcing the FIU with personnel. I am happy to report that we now have a team of six staff to take the FIU forward in its endeavours. The training and professional development of staff was a priority for 2006 as we strived to equip the staff with the necessary knowledge and skills to effectively carry out their duties.

Much of the year was also spent in making the necessary administrative and logistical arrangements to set up the FIU. Issues such as office arrangement, IT support and human resources were efficiently dealt with during the year. The FIU also had to carry out comprehensive planning of its future operations which included formulating the FIU's budget and work plan for 2007. I am grateful to the Board, the Governors and the Team at Reserve Bank of Fiji for their assistance and support in the setting up of the FIU in 2006.

The FIU is extensively dependent on the Reserve Bank for administrative and financial support. At the same time, it is important that the functional independence of the FIU is maintained and reflected in its operations. I am pleased to report that the FIU achieved this in 2006. The Reserve Bank appreciates the unique functions and responsibilities of the FIU as provided under the FTR Act and the Bank has put in appropriate means to deal with FIU's independence in performing its functions.

One of the challenges that we faced as part of establishing a formal FIU was to define the vision and mission of the FIU which will guide its operations for the next few years. Our guide in this exercise was the FTR Act which outlines the FIU's functions, responsibilities and powers. We have identified a vision and mission for the FIU which best reflects its duties and functions and this will be effective from 2007.

In early 2006, the World Bank undertook an assessment of the measures in place for combating money laundering and terrorist financing in Fiji. The assessment was quite important as it highlighted areas where we, the FIU, and other national agencies need to improve on in order to better safeguard our financial systems and our nation from money laundering and terrorist financing.

2006 was also an exciting year for us as it saw the development of our IT system termed the Fiji FIU's Information Management System On-line or FFIMSO. This system will assist financial institutions to report electronically to the FIU on suspicious, cash and electronic transactions. The initial groundwork for FFIMSO had begun in 2004, so it was quite rewarding to witness the completed FFIMSO package in December 2006 that is ready for installation and implementation in 2007. I would like to acknowledge the tremendous assistance and support provided by our Australian counterpart, the Australian Transaction Analysis and Reporting Centre (AUSTRAC) and the Australian Government towards this project.

2006 brought greater challenges as the FIU is responsible for implementing measures for combating money laundering and terrorist financing in a large variety of institutions ranging from banks, non-bank financial institutions, lawyers, accountants and real estate agents.

We are aware of the need to provide financial institutions on further guidance on how to implement the FTR Act. In this regard the FIU finalised the Financial Transaction Reporting Regulations in 2006 after extensive consultations with stakeholders.

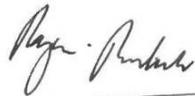
Over the year, we strived to build better relations with our partner agencies by providing investigative assistance and advice. The FIU also maintained good working relations with the various financial institutions over the year.

Future Prospects

The FIU is committed to the fight against money laundering and terrorist financing. Thus a key priority for the future will be to work with our stakeholders to effectively implement the various provisions of the FTR Act and to promote compliance with its many requirements.

We will strive to improve on our processes and systems. We will also seek to build better networks and relationships with all our stakeholders and partner agencies including entering into formal memorandum of understandings with domestic and foreign partner agencies.

I would like to take this opportunity to thank all our stakeholders and domestic and international partner agencies and the National Anti-Money Laundering Officials Committee for their contributions to the FIU's work for 2006. I would like to record my sincere thanks to the Reserve Bank of Fiji for its tremendous commitment and assistance towards the FIU. I look forward to their continuing support and cooperation for the coming years as we work to safeguard Fiji from the impact of money laundering and terrorist financing.



Razim Buksh
Director Financial Intelligence Unit

2. Overview

The Financial Intelligence Unit is established under Section 22 of the FTR Act. Section 25 of the FTR Act stipulates the role and functions of the Fiji FIU.

2.1 Our Role and Functions

The key functions of the FIU are to receive and analyse financial information submitted by financial institutions. The types of financial information that the financial institutions are obliged to submit to the FIU are:

- reports on suspicious transactions
- reports on cash transactions exceeding \$10,000
- reports on all international electronic funds transfers

The FIU uses these reports as well as information obtained from sources like Immigration, police, other government agencies, financial institutions and even foreign law enforcement agencies and financial institutions to develop intelligence that is disseminated to the appropriate agency to act upon.

The FIU also conducts due diligence checks on behalf of partner agencies and provides investigative assistance to law enforcement agencies when requested.

Another key function of the FIU is to promote compliance by financial institutions with the FTR Act. Thus the FIU is responsible for conducting trainings on money laundering issues and the requirements of the FTR Act. These trainings are aimed at ensuring that financial institutions fully understand the legislative requirements and other related issues on money laundering.

The FIU, in consultation with relevant supervisory authorities such as the Reserve Bank of Fiji, is also required to issue guidelines to assist financial institutions in meeting their obligations under the FTR Act. The FIU is also responsible for ensuring that financial institutions are complying with the FTR Act. To ensure compliance with the FTR Act, the FIU is also responsible for assessing financial institution's conformity with the legislative requirements on money laundering and terrorist financing. At a national level, the FIU is the key agency responsible for advising government on matters relating to money laundering and terrorist financing.

2.2 Highlights for 2006

Financial Transactions Reporting Act 2004

The FTR Act came into force on 1st January 2006 except for certain provisions of the Act dealing with the reporting of currency at the border and the reporting of certain transactions by financial institutions to the FIU. Extensive industry consultations on the FTR Bill were undertaken jointly by the FIU, Reserve Bank of Fiji and the Ministry of Justice in 2003 and 2004 before the FTR Act was passed by Parliament in December 2004.

Formal Establishment of the FIU



FIU Group 2006: Ms Sala Tuinalele, Mr Patrick Queet, Mr Razim Buksh, Adi Laisa Kubuabola, D/IP Michael Johns & Ms Caroline Pickering

The FIU was formally established following the coming into force of the FTR Act on 1st January 2006. The FIU had been operating on an interim arrangement set-up since 2003. The FIU is housed and managed by the Reserve Bank of Fiji.

Assessment of Fiji's Anti-Money Laundering and Terrorist Financing Framework

Fiji's national framework on combating money laundering and terrorist financing was assessed by a team of experts from the World Bank under the World Bank/IMF Financial Sector Assessment Programme (FSAP) in February – March of 2006.

Successful Prosecution of Fiji's First Money Laundering Case

The prosecution of Fiji's first money laundering case took place in December 2005. The investigation by law enforcement agencies was initiated following the receipt of a suspicious transaction report from a particular financial institution. The perpetrator was sentenced to five years in jail for a money laundering offence.

Formulation of the Financial Transaction Reporting Regulations

The first draft of the Financial Transaction Reporting Regulations was completed and issued for consultations with stakeholders in April 2006. Following submissions from stakeholders, a revised draft of the Regulations was issued in November 2006 for final consultations with stakeholders. The draft Regulations have been vetted and cleared by the First Parliamentary Counsel in December 2006.

Development of FIU's Information Management System Online

With the financial assistance from the Australian Government, the FIU together with technical assistance from the Australian Transaction Analysis and Reporting Centre and the Reserve Bank's IT section, developed an electronic information management system which will enable financial institutions to report financial transactions and information on-line to the FIU. The IT system will be implemented in 2007.

Memorandum of Agreement for Information Exchange

The FIU had preliminary discussions with key partner agencies and drafted memorandum of agreements for exchange of information that would be finalised and signed in the coming year.

3. Key Performance Outputs for 2006

3.1 Implementation of the FTR Act

The FTR Act was enacted by Parliament in December 2004. All provisions of the Act became effective on 1st January 2006 except Section 13 and Part 5 of the Act. Section 13 imposes an obligation on financial institutions to report cash and electronic funds transfers exceeding \$10,000. Part 5 of the Act requires travellers into and out of Fiji to report to the Fiji Islands Revenue Customs Authority (FIRCA) if they are carrying currency exceeding \$10,000.

The delay in the implementation of these sections was to allow the FIU, FIRCA and covered financial institutions time to undertake preparatory work necessary to enable them to comply with the requirements of these provisions.

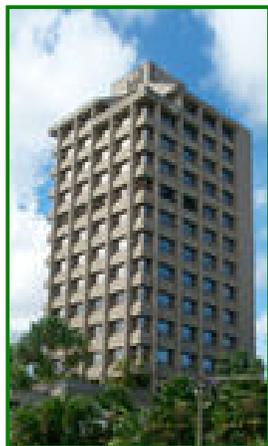
3.2 Formal Establishment of the Fiji FIU

The Fiji FIU was formally established on 1st January 2006 by virtue of the coming into force of Part 4 of the FTR Act. Prior to this the FIU had been operating on an interim arrangement since 2003 under a Memorandum of Agreement between the Reserve Bank of Fiji, Ministry of Justice, Office of the Director of Public Prosecutions and the Fiji Police Force.

Delegation of FIU Administration Responsibility to the Reserve Bank of Fiji

In December 2005, the Minister for Justice delegated his powers and functions provided under the FTR Act to the Governor of the Reserve Bank of Fiji.¹ Therefore, under Section 23(3) of the FTR Act, the Director of the FIU is now responsible to the Governor when performing his powers, duties and functions under the FTR Act.

In November 2005 the Board of Directors for Reserve Bank approved the organisation structure for the FIU. Mr. Razim Buksh was appointed as the Director of the FIU on 1st May 2006. His role is to exercise all the powers, duties and functions of the FIU as specified in the FTR Act.



Funding and Administrative Support

The funding and administrative support for the FIU is provided by the RBF under the delegation notice by the Minister of Justice.

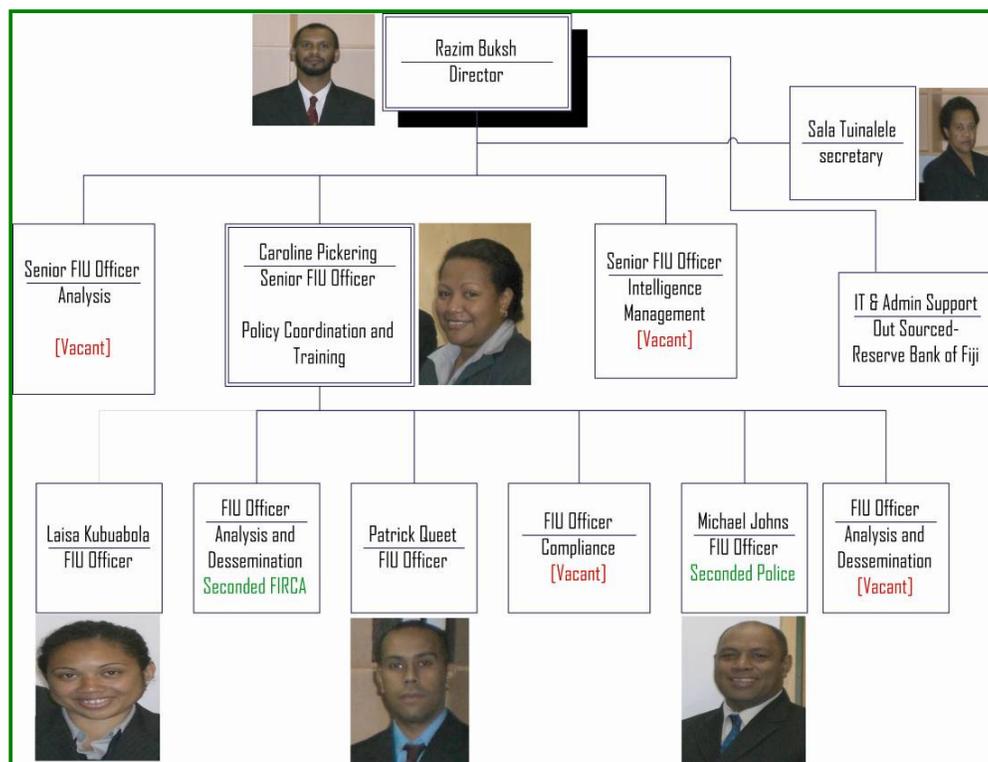
The Reserve Bank provided the FIU with modern refurbished office facilities in 2006 on Tower level 3 of the Reserve Bank Building.

¹ Delegation of powers was provided in the Fiji Gazette Supplement No. 36 of 9 December 2005,

All aspects of administrative support staff such as human resource, IT, plant & property, security, transport, training and other general administration services is provided by the Reserve Bank under a separate budget for the FIU.

The Reserve Bank provided the necessary administrative support for the filling of FIU positions. In the period June to October of 2006, the FIU, with administrative assistance from the Reserve Bank, appointed four new staffs.

The FIU will fill the remaining vacant positions within the FIU organisation structure progressively in the next four to five years. The approved organisation structure for the FIU is shown below.



The FIU has an officer on secondment from the Fiji Police Force under a Memorandum of Agreement between the FIU and Police Force which was initially signed in July 2003. The Fiji Police Force has agreed to extend the secondment arrangement. A MOA will be signed in 2007 to formalise this arrangement between the two agencies. FIRCA has also agreed to provide a staff on secondment to the FIU. D/IP Rajas Swamy of the Fiji Police Force has been working for the FIU on secondment since 2003. He is currently on study leave in Australia.



The FIU had a total of 5 permanent staffs and 1 staff on secondment from the Fiji Police Force as at the end of 2006.

3.3 Financial Transactions Reporting Regulations

The Financial Transactions Reporting Regulations provides detailed guidance on how the provisions of the FTR Act are to be implemented. The FTR Regulations primarily targets all covered financial institutions and will come into force when gazetted in 2007.

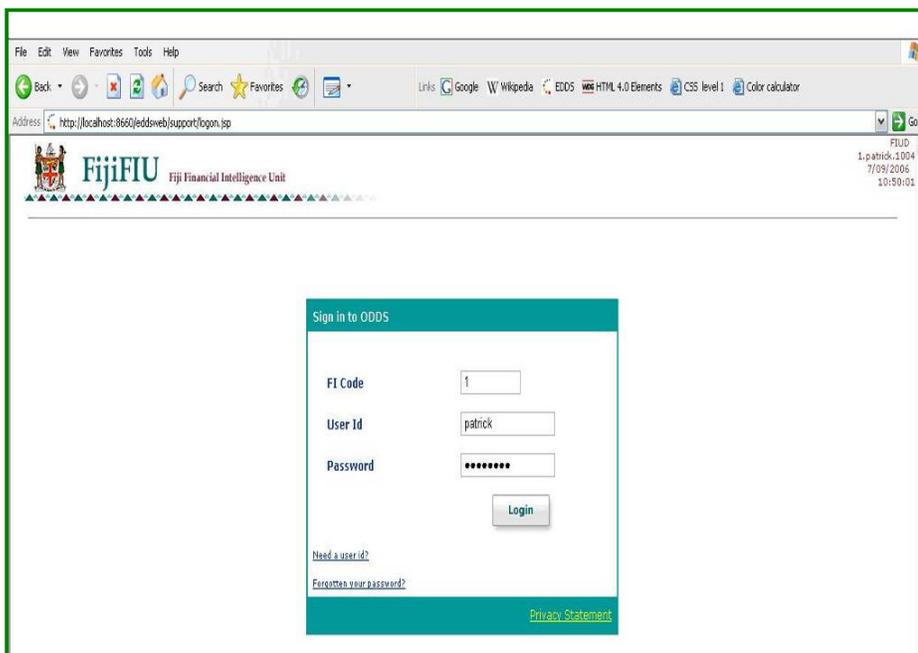
The FTR Regulations covers the following broad areas:

- risk based approach for implementing the FTR Act by financial institutions;
- procedures for customer due diligence;
- procedures for reporting of suspicious, cash and electronic transactions;
- requirement for the adoption of internal procedures and controls;
- role of the supervisory authorities; and
- procedures for reporting of currency at Fiji’s borders.

The FIU completed the first draft of the FTR Regulations and circulated this to stakeholders for industry review and comments in April 2006. Written submissions were received from stakeholders; namely the Association of Banks in Fiji (ABIF), Reserve Bank of Fiji, Fiji Institute of Accountants, the Finance Companies Association and the Anti-Money Laundering Assistance Team (AMLAT) of the Australian Attorney General’s Department. The FIU also met and held extensive consultations with the ABIF and the Solicitor General’s Office on the draft Regulations.

The Regulations were further revised and finalised in November 2006 taking into account the submissions received from stakeholders. The FIU plans to have the FTR Regulation approved by Government and implemented by the financial institutions in 2007.

The FTR regulations will also require financial institutions to report financial transactions using FIU’s online electronic reporting system.



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3.4 Border Currency Reporting

FIRCA is the implementing agency of Part 5 of the FTR Act which requires all persons departing or arriving at Fiji's ports or airports to report if they are carrying currency in excess of \$10,000 or its equivalent in foreign currency.

Implementation of Part 5 of the FTR Act has been delayed to a future date to allow the FIU and FIRCA time to put mechanisms in place to enable the effective implementation of this part of the Act.

The FIU corresponded and met with the senior management of the FIRCA during 2006 to discuss and agree on implementation issues surrounding border currency reporting requirements.

The FTR Regulations (Part 6) describes how the border currency reporting requirements should be implemented and the type of information that the FIU and FIRCA will share under this framework.

The FIU also designed a reporting form (Border Currency Reporting Form) that will be used by travellers to report this type of transaction to FIRCA. The Border Currency Reporting Form is being issued as part of the FTR Regulations and had been subjected to the same consultation processes as the FTR Regulations.

More work is required such as revision to the arrival and departure forms before Part 5 of the FTR Act is implemented.

3.5 The World Bank's Assessment of Fiji's Framework for Combating Money Laundering and Terrorist Financing

In early 2006 the World Bank carried out an assessment of the measures put in place in Fiji to combat money laundering and terrorist financing. The purpose of the assessment was to determine the extent to which Fiji has implemented the Financial Action Task Force (FATF) 40 Recommendations on money laundering and 9 Special Recommendations on terrorist financing. These Recommendations are the globally acceptable standards on combating money laundering and terrorist financing.

The evaluation team consisted of Ms. Heba Shams (Legal Expert and Team Leader), Mr. Mark Butler (Law Enforcement Expert) and Mr. Allan Schott (Financial Expert).



The World Bank assessment team during consultations with stakeholders. Seated from left is Mr. Allan Schott, Ms. Heba Shams and Mr. Mark Butler.

Prior to the onsite assessment visit, Fiji authorities provided responses to a preparatory questionnaire and a detailed assessment questionnaire. The authorities also provided copies of relevant laws, regulations, policies and other reports to the World Bank Team prior to and during their onsite visit.

The on-site assessment took place from 20th February to 4th March 2006. The assessment team held 47 meetings with Government and private sector agencies and financial institutions during the two weeks. The World Bank team reviewed Fiji's institutional framework, the relevant AML/CFT legislative environment and the regulatory and other systems in place to deter money laundering and the financing of terrorism through financial institutions and Designated Non-Financial Businesses and Professions (DNFBP).

The FATF Recommendations and the criteria set out in the IMF/World Bank Methodology are applicable to all countries. However, the assessment process takes into consideration each country's stage of economic development, its administrative capacities and its cultural and legal conditions.

At the conclusion of the on-site visit, the World Bank team discussed their preliminary findings and respective compliance ratings with the National Anti-Money Laundering Officials Committee. The final Draft Assessment Report was agreed upon by the World Bank and National AML Officials Committee in June 2006.

Each of the FATF Recommendations is assessed to four possible levels of compliance, that is: *compliant*, *largely compliant*, *partially compliant* and *non-compliant*.



A meeting between the World Bank team and the National AML Officials Committee in March 2006 to discuss the preliminary findings of the World Bank team.

Table 1 below sets out a summary of Fiji’s level of compliance with the FATF 40+9 Recommendations as assessed by the World Bank Team:

Table 1: Summary of Compliance Ratings under the World Bank’s Assessment

Ratings	FATF 40 Recommendations on Money Laundering	FATF 9 Special Recommendations on Terrorist Financing	Total
Compliant	8	0	8
Largely Compliant	6	0	6
Partially Compliant	25	7	32
Non Compliant	1	2	3

A summary of Fiji’s rating of compliance with individual FATF Recommendations is provided in **Annex A**. A summary of the assessment process is provided in **Annex B**.

The World Bank Assessment Report was formally adopted at the Asia Pacific Group on Money Laundering (APG) annual plenary meeting in Manila, Philippines in July 2006. The Deputy Governor of the Reserve Bank of Fiji presented Fiji’s response and implementation strategies at the APG plenary meeting.

The National AML Officials Committee, in its meeting in October 2006 adopted an Action Plan outlining the agencies which will be responsible for the implementation of the respective recommendations of the World Bank. The Action Plan will also provide the Committee with a mechanism for monitoring the implementation of the World Bank’s recommendations. The FIU, as secretariat for the National AML Officials Committee, will be coordinating the implementation of the Action Plan in 2007.

3.6 Reporting of Suspicious Transactions

In accordance with the FTR Act, the FIU receives and analyses reports of suspicious transactions and other financial information concerning suspected proceeds of crime and other related serious offences. Prior to the coming into force of the FTR Act, the reporting of suspicious transactions was made pursuant to Section 61 of the Proceeds of Crime Act. Reports of suspicious transactions were made to the interim FIU since July 2003.

A suspicious transaction means a transaction which is inconsistent with a customer’s known, legitimate business or personal activities or with the normal business of that type of account. In the case of a one-off transaction, means a transaction that gives rise to a knowledge or suspicion that a person is engaged in money laundering.

For the year 2006, FIU received a total of 215 suspicious transaction reports (STRs) from financial institutions while 3 STRs were provided by members of the public. The FIU has received a total of 1,360 STRs since July 2000 when the STR framework was first implemented in Fiji. **Table 2** provides a summary of the number of STRs received by the FIU from 2000-2006.

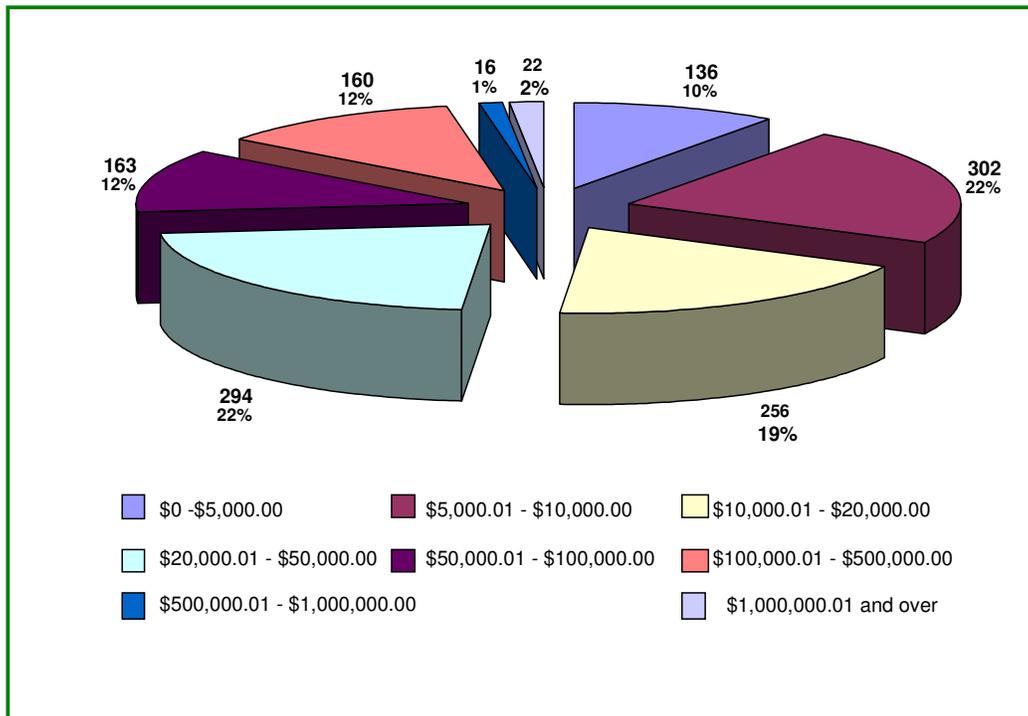
Table 2: Summary of Suspicious Transaction Reports Received by the FIU from 2000-2006

Year	2000	2001	2002	2003	2004	2005	2006	Total
Total STRs Received by FIU	5	81	126	221	432	280	215	1,360
STR disseminated to law enforcement agencies								15%

The FIU will be upgrading its database in 2007 and some STR statistics may be subject to revision and amendments.

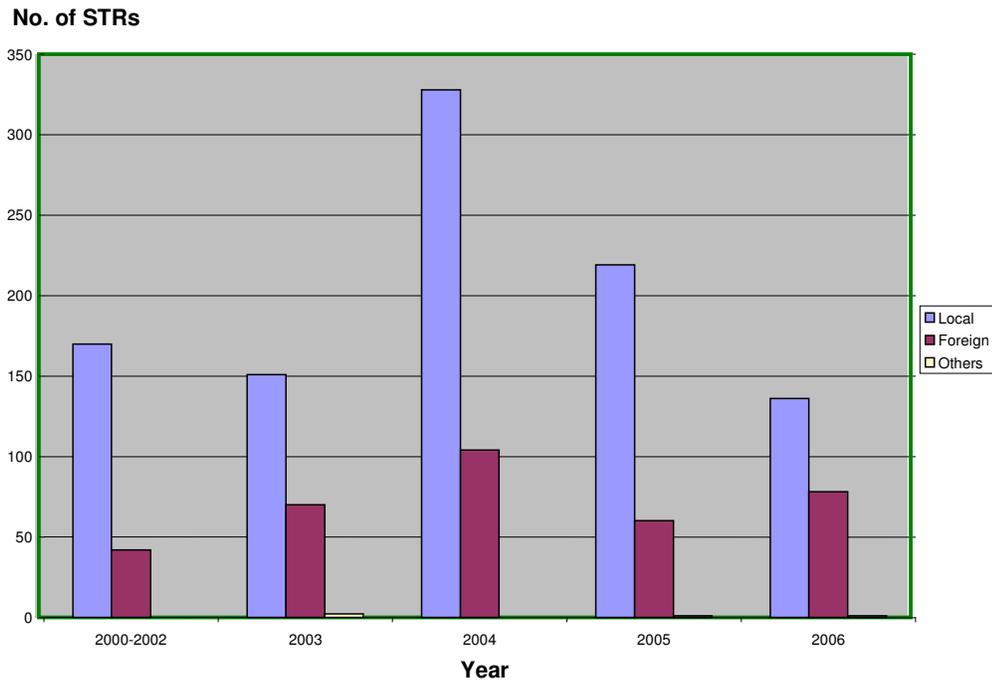
Most reported suspicious transactions involved amounts from \$5,000.01 to \$10,000.00 and \$20,000.01 to \$50,000.00.

Graph 1: Analysis of Suspicious Transaction Reports by Dollar Amounts



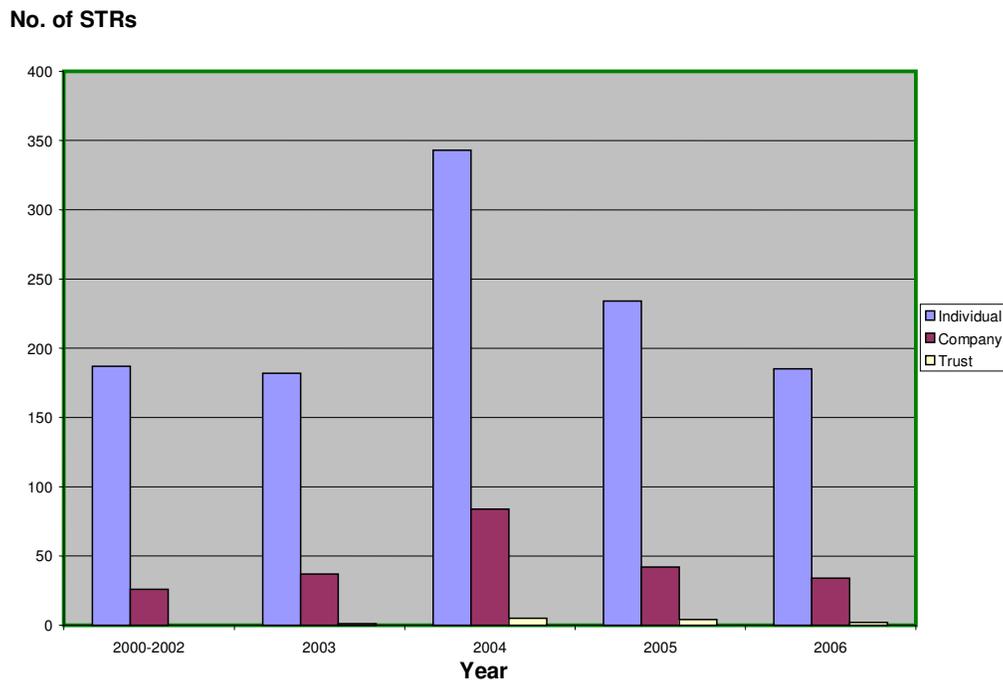
The Fiji currency was the common currency type used in the STRs received. However, from 2005-2006, there was a 15 percent increase in STRs involving use of foreign currency.

Graph 2: Analysis of Suspicious Transaction Reports by Currency Type.

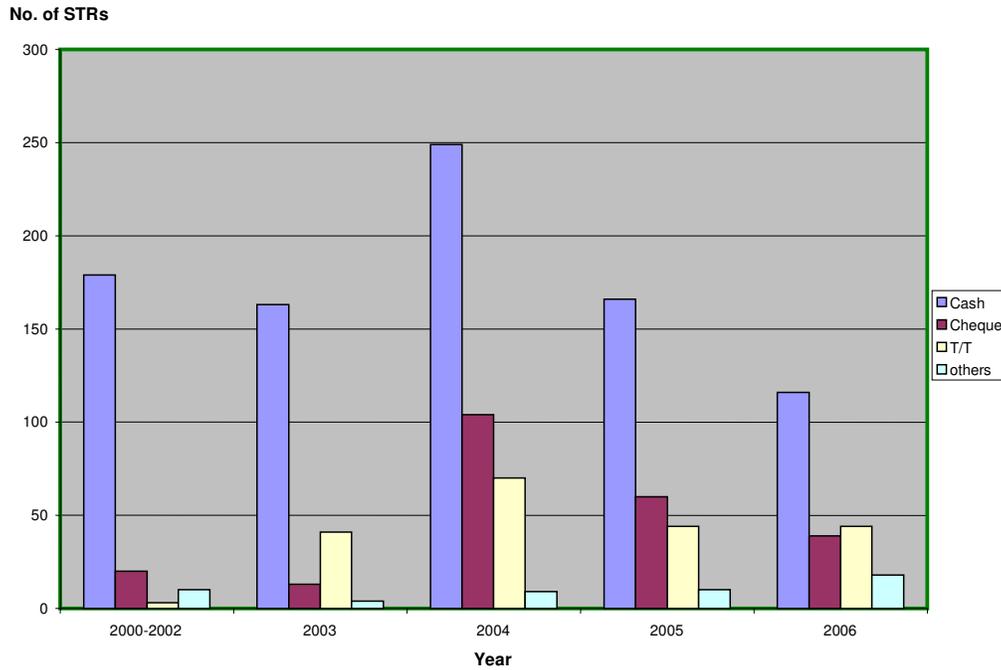


The STRs reported in 2006 were mainly on individuals with cash being the main mode of transaction.

Graph 3: Analysis of Suspicious Transaction Reports by Entity Type

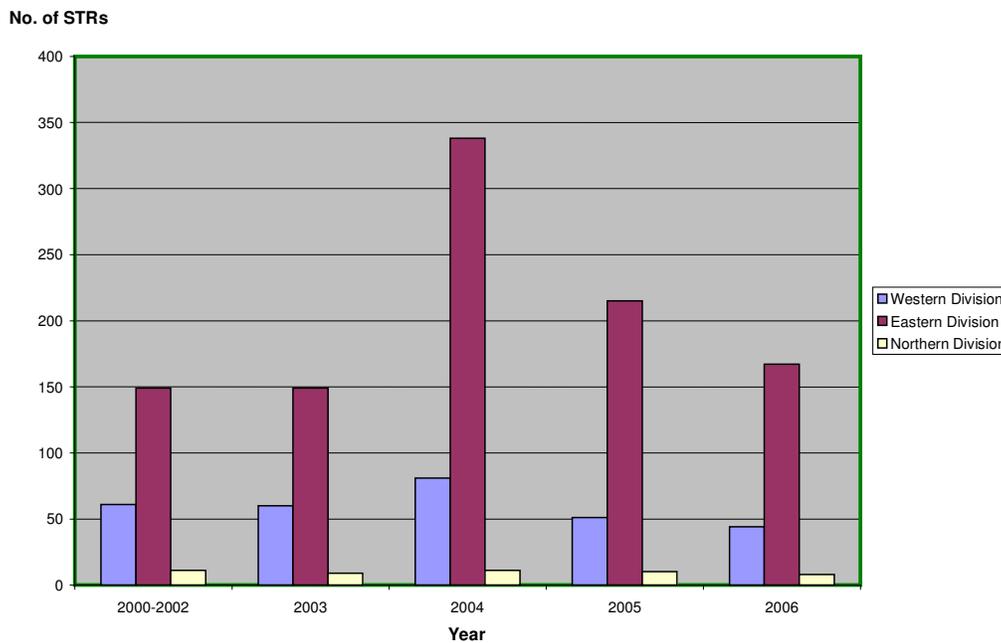


Graph 4: Analysis of Suspicious Transaction Reports by Transaction Mode



STRs were received from agencies of financial institutions operating in all the divisions within Fiji. However the bulk of these suspicious transactions were reported from bank branches in the Eastern division of Fiji.

Graph 5: Analysis of Suspicious Transaction Reports by Geographical Location of Reporting Institution



Of the 215 STRs received in 2006, a total of 196 enquiries were made by the FIU with financial institutions and other agencies that held records of individuals and entities.

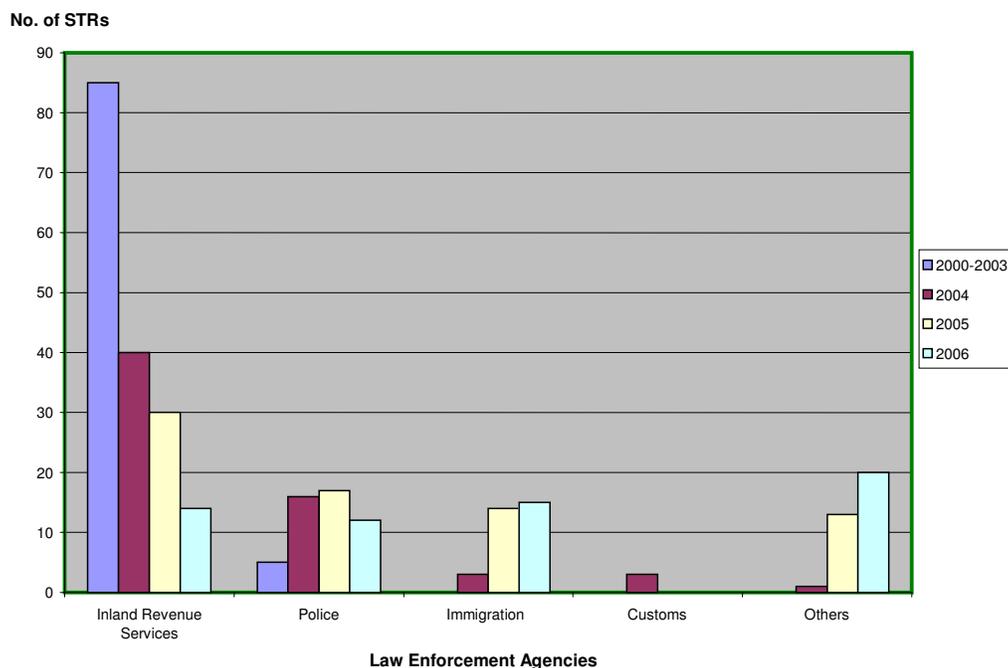
Of the total STRs received during 2006, a total of 41 STRs were disseminated to law enforcement agencies such as the Police, Immigration and Fiji Islands Revenue and Customs Authority for their further investigation of suspected breaches of various legislative requirements. 17 STRs were filed for future intelligence analysis and reference and the remaining STRs are being analysed.

In the dissemination of STRs, some case dissemination reports were forwarded to more than one law enforcement authority for investigations into several possible related offences. **Table 3** provides further details of STRs provided to other law enforcement agencies for further investigative action.

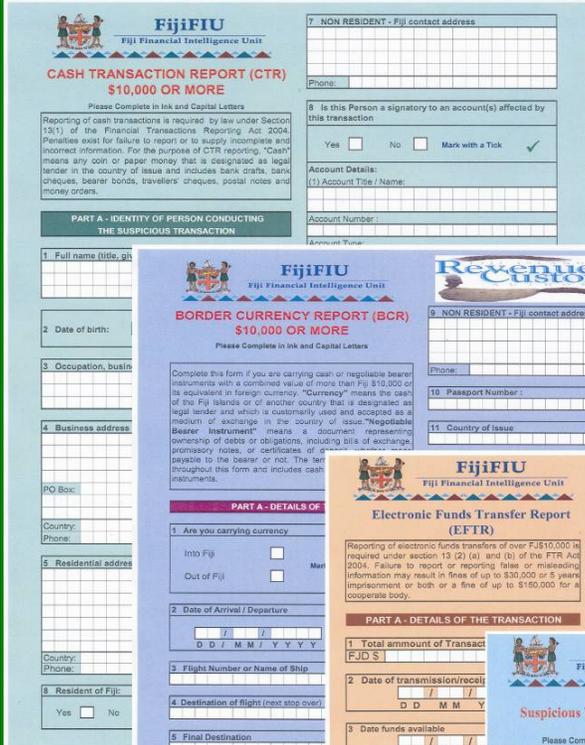
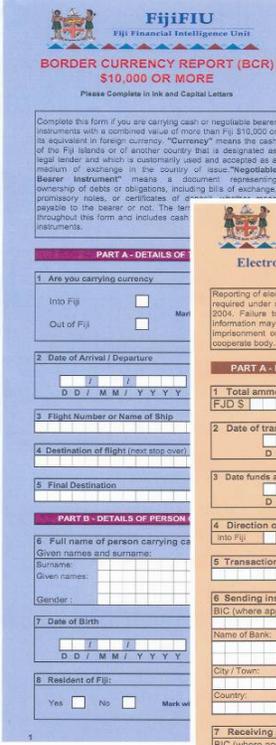
Table 3: Suspicious Transaction Reports Disseminated to Law Enforcement Agencies

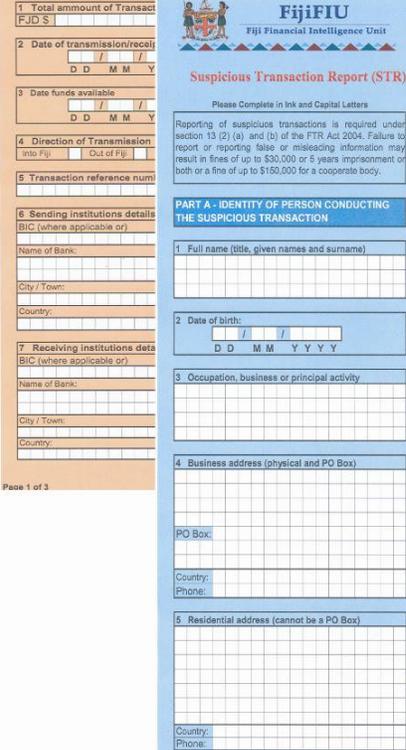
Law Enforcement Agency	Number of STR Case Reports Disseminated				
	2000-2003	2004	2005	2006	Total
Inland Revenue Services	85	40	30	14	169
Police	5	16	17	12	50
Immigration	0	3	14	15	32
Customs	0	3	0	0	3
Others	0	1	13	20	34
Total	90	63	74	61	288

Graph 6: Suspicious Transaction Reports Disseminated to Law Enforcement Agencies



The FIU has designed a new form for reporting of suspicious transactions which will be used by the financial institutions. This new form will be issued as part of the Financial Transactions Reporting Regulations in 2007. The FIU will continue with this process of receiving, analysing and disseminating STRs in 2007.



New reporting forms under the FTR Regulations that will be issued in 2007

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3.7 Results of Case Dissemination Reports

Section 25.1.h of the FTR Act requires the FIU to refer any matter or any information derived from any report or any other information it receives to the appropriate law enforcement and supervisory authorities, both domestic and foreign, if, having considered the report or information, the FIU has reasonable grounds to suspect that the transaction or information is relevant to the investigation or prosecution of a money laundering offence, a terrorist financing offence or a serious offence.

Case dissemination reports (CDRs) refer to the reports on suspicious transactions that are referred to the law enforcement agencies for their further investigations.



CDRs referred to the Fiji Islands Revenue and Customs Authority (FIRCA) resulted in further investigations by FIRCA of possible tax evasions. FIRCA was able to use FIU's CDRs to collect substantial income tax, value added tax, customs duty and excise. Also a result of the CDRs, FIRCA investigated a number of fraud cases. At least in one case FIRCA issued a departure prohibition order for a suspect on the advice and recommendation of the FIU. FIRCA has established a unit called Fraud & Evasion Unit that deals with CDRs disseminated by the FIU. More than 50 percent of CDRs are sent to FIRCA. CDRs referred to the Customs Services have resulted in border surveillance for currency smuggling activities and trade based violations.



CDRs sent to the Fiji Police Force are referred to a special unit called the AML & Proceeds of Crime Investigation Unit. About 20 percent of CDRs are sent to the Police. After conducting a thorough investigation of money laundering, proceeds of crime or other related serious and predicate crimes, the Police Special Unit has forwarded about 30 percent of cases to the Office of the Director of Public Prosecutions for decision and to file charges. There are currently 12 cases in Court awaiting trial for money laundering, proceeds of crime or serious crime offences. About 60 percent of the cases are still under investigation.

As a direct outcome of banks reporting STRs to the FIU and the subsequent use of FIU's CDR by the Fiji Police Force, the first successful money laundering conviction was recorded in Fiji in December 2005. The severe jail sentence of 5 years for money laundering offence against a more lenient sentence for predicate offence was upheld by the High Court in 2006.



CDRs referred to the FTIB have resulted in enhanced scrutiny of foreign investors. The FTIB has also cancelled a number of foreign investment registration certificates as a direct result of FIU's CDR information.



CDRs referred to the Immigration Department have resulted in the review of visas and permits for foreign nationals. The Immigration Department has used FIU's CDRs to cancel a number of visas permits that were already issued by the Department. The CDRs have been equally useful when processing visa and permit applications by the Department and a number of foreign nationals have been under constant surveillance for illegal and unauthorised activities. Our CDRs has been of tremendous benefit to screen criminals who attempt to enter into Fiji.



CDR referred to the Capital Markets Development Authority (CMDA) resulted in their further investigations under the CMDA Act.



CDRs referred to the Reserve Bank of Fiji (RBF) were in relation to alleged violations of Exchange Control Act.

CDRs were also referred to the Office of the Director of public Prosecutions (DPP), Department of Fair Trading, and Trans-National Crime Unit.



Australian Government
Australian Transaction Reports
and Analysis Centre



CDRs referred to foreign law enforcement authorities in relation to alleged involvement of foreign nationals in criminal activities in Fiji. CDRs were referred to:

- Australian Federal Police
- AUSTRAC
- FBI
- NZ Police FIU
- UAE FIU

3.8 Alert Notices to Financial Institutions

The FIU sends out "alert notices" to financial institutions informing them to be vigilant and to carry out enhanced due diligence checks when dealing with certain persons or entities which the FIU considers to be highly suspicious. Often the persons or the entities against which the alert notices are issued would be brought to the FIU's attention through a suspicious transaction report from a particular financial institution or from information received from law enforcement agencies. In 2006 the FIU sent out 8 such alert notices to financial institutions.

3.9 Advisories to Financial Institutions and the Public

Financial institutions often request the FIU to provide advice on the application of certain sections of the FTR Act (such as customer due diligence requirements or the reporting of suspicious transaction) or on other issues relating to money laundering and terrorist financing.

The FIU is obliged to provide such advice to financial institutions when requested and have provided a number of such advisories in 2006.

The FIU also provided advice to individuals who have been targeted by lottery and email scams. These scams are referred to as Advance Fee Fraud, email fraud and lottery fraud, whereby the victims are contacted through email and even by fax.

3.10 Assistance Provided to Partner Agencies

As required under the FTR Act, the FIU also conducted background and credibility checks that were requested in writing by national agencies. Checks were made against the FIU's own database and commercially available international databases subscribed to by the FIU.

In 2006, the FIU received 36 requests for background and credibility checks. These 36 requests involved checks on 139 entities and 92 individuals. **Table 4** provides further details on the requests for due diligence received by the FIU in 2006.

Table 4: Summary of Background Checks Conducted by the FIU in 2006

Institution/Agency Requesting the Check	No. of requests	No. of Checks on Entities	No. of Checks on Individuals
Australian Federal Police	1	1	0
Cook Islands FIU	1	0	1
New Zealand FIU	1	0	1
Immigration Department	1	0	1
FNPF	5	15	17
FTIB	10	55	37
Ministry of Public Enterprises	1	2	3
RBF	12	62	31
USP	1	1	1
Others/General Public	3	3	0
TOTAL	36	139	92

The FIU also receives requests from law enforcement agencies for additional information to assist them in certain investigations. In 2006, the FIU responded to 32 such requests from law enforcement agencies.

3.11 National Anti-Money Laundering Officials Committee

The National Anti-Money Laundering (AML) Officials Committee is responsible for discussing and coordinating on issues relating to money laundering. This Committee is chaired by the Chief Executive Officer for Ministry of Justice with senior representatives from 15 key agencies. A list of the members of the National AML Officials Committee is provided in **Annex C**. Also included in Annex C are the meeting dates for the Committee for 2006.

The National AML Officials Committee played an active role in Fiji's anti-money laundering and countering the financing of terrorism initiatives during 2006. The committee had a total of 10 meetings in 2006 and members were very supportive in the activities of the Committee during the year.

The Committee played a vital role during the World Bank's assessment of Fiji's AML and CFT framework. The Officials Committee was instrumental in providing valuable

input into the assessment process as the assessment team met with member agencies on a one-on-one basis during the on-site assessment.

The World Bank assessment team met with the Committee prior to the on-site assessment on 20th February to brief the Committee on the assessment process. On completion of the assessment exercise, the World Bank team met again with the Committee on 3rd March to discuss their preliminary findings and to seek the Committee's views on these findings. The Committee and the assessment team also agreed to a set timeline for the finalisation of the Detailed Assessment Report.

In its meeting on the 7th of September, the Officials Committee established a sub-committee to identify ways to strengthen the investment registration and monitoring process in Fiji to minimise the risk of foreigners laundering proceeds of crime by investing in Fiji. The Sub Committee on foreign investment met on three occasions: 14th September; 3rd October and on 16th October. The recommendations of the Sub-Committee were presented to the main Officials Committee in its meeting of 29th November 2006 for its endorsement before this is submitted to Government for its consideration.

The FIU also made various presentations during the Committee's meetings to update members on the work progress of the FIU and trends in money laundering cases. The FIU is the secretariat for the Officials Committee and strived to meet this obligation in 2006.

The FIU is also a member of the National Counter-Terrorism Officials Group.

3.12 Education and Awareness on the FTR Act

Under the FTR Act, the FIU may provide training programs to financial institutions on the requirements of the FTR Act such as customer due diligence, reporting obligations and the identifications of suspicious transactions. This is an important function of the FIU as it educates financial institutions and other stakeholders on the requirements of the FTR Act.



The FIU was invited during 2006 to make presentations at various conferences and in-house training seminars on the FTR Act and other money laundering issues. A summary of all presentations delivered by the FIU in 2006 is provided in **Annex D**.

The FIU Director with senior officials of the Fiji Military Forces following a presentation at the Military Headquarters in March 2006 on the FTR Act.

3.13 Research on Money Laundering Issues

The FIU is required under the FTR Act to carry out research on issues relating to money laundering and terrorist financing. The FIU completed two research related articles in 2006 on money laundering issues and the FTR Act. These articles were then published in local periodicals.

Discussions commenced in 2006 and have continued in the current year between the FIU and the Australian Institute of Criminology to collaborate on a research project in the area of money laundering.

The Director FIU also appeared on the national television (“Crime Stoppers”) programme to educate members of the public on emerging fraud trends in Fiji.

3.14 Fiji FIU Information Management System On-line

The Australian Government, through AUSAID, agreed to fund the development of an IT system which would strengthen the reporting, analysis and dissemination of financial transaction reports and financial information by the FIU.

This IT system was developed with the assistance from the Australian Transaction Analysis and Reporting Centre (AUSTRAC) and with support from two IT staff from the FIU and Reserve Bank.

This IT system called the Fiji FIU Information Management System Online (FFIMSO) will enable financial institutions and other reporting entities to electronically report to the FIU financial transactions (suspicious transactions; electronic fund transfers; cash transactions over \$10,000) by a secure means using the internet. FFIMSO is based on AUSTRAC’s own comprehensive information reporting system but was specifically developed to suit Fiji’s environment.



*FIU IT staff involved in developing FFIMSO in AUSTRAC, Australia.
From left Mr Patrick Queet and Mr. Amar Mistry.*

The two FIU IT staff involved in the development of FFIMSO worked on attachment with AUSTRAC during the development phase of FFIMSO. Development work on FFIMSO began on 21st August 2006 at the AUSTRAC office in Sydney, Australia and took 18 weeks to complete.

The AUSTRAC IT team which worked on the development of FFIMSO was led by the AUSTRAC IT Manager, Mr Kiru Manavalan, and two senior

developers. The FFIMSO project also involved other members of the AUSTRAC team at different stages of the development process, including a Linux and JBOSS administrator and a Database administrator.



The Director FIU with the executive management team of AUSTRAC during a courtesy visit to AUSTRAC in November 2006 during the final stages of development work on FFIMSO.

FFIMSO was successfully developed in December 2006. The system is now ready for rollout in 2007. Implementation of FFIMSO will be done on a case-by-case basis for each financial institution.

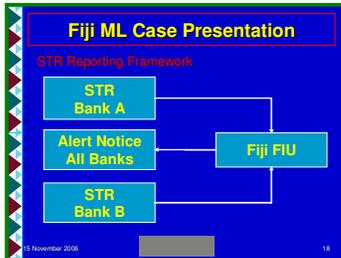
The FIU embarked on a FFIMSO awareness drive and made 7 presentations to key institutions in September 2006 with the assistance of the RBF IT Manager Ms Reanu Ramani.



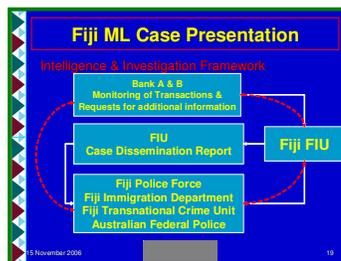
*FFIMSO
Awareness
Training provided
in 2006:*

- ANZ Bank
- Bank of Baroda
- Colonial National Bank
- Fiji Development Bank
- Habib Bank Limited
- Western Union
- Westpac Bank

3.15 Fiji's First Money Laundering Conviction



“As a direct outcome of banks reporting STRs to the FIU and the subsequent use of FIU’s CDR by the Fiji Police Force, first successful money laundering conviction was recorded in Fiji in December 2005. The severe jail sentence



of 5 years for money laundering offence against a more lenient sentence for predicate offence was upheld by the High Court in 2006.”

Ruling and Sentencing by the Suva Magistrates Court:

In the Resident Magistrates Court in Suva
Criminal Case No.: 1974/05:
22nd December 2005
Sentencing
(Part/extract only)

The offences committed by the accused were done in concert with another accomplice. The facts outlined by the prosecution and tendered in Court clearly demonstrate that, the commission of the offences in question was premeditated and well planned. The accused who is an Australian expatriate obviously studied our banking system carefully before using the said system to facilitate and perpetrate his dishonest and criminal activities. The accused also cleverly used this scheme to lure unsuspecting innocent victims to part with their hard-earned money. And almost the entire amount has been used up by the accused and his accomplice, and the Police were only able to recover a negligible amount. There has been a long standing suspicion by the law enforcement agencies that the offence of money laundering is already taking place in Fiji, and this case confirms this suspicion beyond any doubt now. Therefore, our financial institutions need to exercise more care to avoid being used as conduits of “white collar crime”. The sophisticated Fraudulent Scheme used by the 1st Accused was evidently to profit from the earnings of innocent victims, and fortunately the scheme was uncovered quickly thereby stopping even larger sums being taken.

In the outcome, and without doubt a profound deterrent sentence is warranted to reflect the seriousness of the offences and to be a strong warning to expatriates and likeminded persons that, the Courts will come down hard for such offences. However, in determining the appropriate tariff I have also taken into account all the accused has

said in mitigation. In particular his guilty plea and his hitherto unblemished record. It is also very clear to the Court that, the 1st Accused is the "mastermind" behind this fraudulent scheme. The gravity of the offences is also depicted by the lengthy tariffs as legislated by Parliament, for example, Count 5 (Money Laundering Offence) carries a maximum penalty of 20 years.

Accordingly, this Court sentences the accused as follows:-

Count 1	Obtaining Money by False Pretence	6 month's imprisonment
Count 2	Forgery	6 month's imprisonment
Count 3	Forgery	6 month's imprisonment
Count 4	Obtaining Money by False Pretence	6 month's imprisonment
Count 5	Money Laundering	5 year's imprisonment

Counts 1, 2, 3 & 4 to be serve concurrently with sentence in Count 5.

(sgd)

J. Semisi

Resident Magistrate

The High Court agreed that money laundering was a more serious offence. The following judgment was made:

In the High Court of Fiji at Suva
Criminal Appeal Case No.: HAA20 of 2006
25th August 2006
Judgment
(Part/extract only)

It is precisely that type of money laundering activity that attracts the need for a stem and deterrent sentence. I keep in mind this was not drug related offending and that no arithmetical relationship between the sums involved and sentence should be attempted but I do observe that in my view the sentence while within the available tariff range was lenient.

Finally, I have considered the fairness of the overall sentence applied to the appellant. I consider a starting point of between 6 to 8 years to be appropriate before aggravating features might be taken into account. I see little to justify a strong mitigation of penalty beyond a guilty plea although that must be tempered with the appellant's lack of co-operation with the police in finding any of the laundered proceeds of this crime. Accordingly I cannot say that the effective term of imprisonment of 5 years in jail is harsh and excessive or wrong in principle. If anything in my view that sentence was lenient.

The sentence appeal in respect of Count 5 is dismissed.

The appeal is dismissed.

Gerard Winter

JUDGE

At Suva

Friday 25th August, 2006

4. Regional Anti-Money Laundering Initiatives

The FIU is committed to assisting in regional initiatives to combat money laundering and the financing of terrorism. In 2006 the FIU contributed to two regional AML and CFT initiatives as follows:

4.1 Regional Workshop for Pacific Financial Intelligence Units

The Australian Attorney-General's Department's Anti-Money Laundering Assistance Team (AMLAT) organised a Regional Workshop for Pacific Financial Intelligence Units (FIU) which was held in Sydney, Australia from the 5th - 9th June 2006. The objectives of the workshop were to encourage communication between FIUs in the region, and to facilitate interactive discussion about issues relating to anti-money laundering and countering the financing of terrorism in the Pacific region.



During a session of the AMLAT regional workshop for Pacific FIU's, Sydney, Australia.

The workshop brought together representatives from the FIUs already established in the Pacific region, together with officials from countries that have yet to establish an FIU. The FIU Director attended this workshop and was a facilitator for some of the workshop sessions at the invitation of AMLAT.

4.2 Solomon Island FIU Attachment

The FIU provided Mr. Michael Ha'apio, Financial Analyst In-Charge of the Solomon Islands FIU with a one week attachment from the 16th - 20th of October 2006. The attachment was funded by the Anti-Money Laundering Assistance Team.

As part of the attachment programme, Mr. Ha'apio was exposed to the various functions of the Fiji FIU. Mr. Ha'apio also visited a few financial institutions and law enforcement agencies to gain an insight of how the Fiji FIU networks with its stakeholders.

The attachment was a success and the FIU hopes to host other smaller Pacific FIUs in future as part of its commitment to assisting in the regional AML and CFT efforts.

4.3 Technical Assistance Projects

There were two key technical assistance projects on anti-money laundering and terrorist financing that were active in Fiji and the Pacific region in 2006. These were:

- i. Pacific Anti-Money Laundering Project (PALP) – this project which was launched in September 2006 at the Pacific Islands Forum Secretariat (PIFS) in

Fiji. PALP is a joint initiative between the PIFS, the United Nations Office on Drugs and Crime (UNODC), and the US State Department. The PALP is to run for a period of 4 years and is funded by the US State Department.

The PALP is a regional technical assistance and training programme designed to assist PIF countries in establishing and/or enhancing their anti-money laundering and combating the financing of terrorism regimes to comply with international standards of the Financial Action Task Force, relevant UN Conventions and Security Council Resolutions.

- ii. Anti-Money Laundering Assistance Team (AMLAT) – this is an Australian Government programme whose objective is to assist Pacific island countries with the development of sustainable systems to combat money laundering and terrorist financing. The project provides the region with a team of advisers and mentors who provide countries with technical assistance and training on anti-money laundering and terrorist financing issues.
- iii. Pacific Islands Forum Secretariat (PIFS) – the Forum Secretariat also has an anti-money laundering and counter terrorism financing assistance programme in place and had assisted the FIU and other law enforcement authorities with funding , training and other technical assistance during 2006.

4.4 APG & FATF Coordination

The FIU continues to play the primary coordinating role with the international agencies on anti-money laundering, particularly the Asia Pacific Group on Money Laundering (APG). The FIU provides advisories and recommendations for consideration by Fiji Government namely to the Reserve Bank of Fiji and the Ministry of Justice on key APG policy matters. The FIU is also a member of the APG Typologies Working Group.



The Asia/Pacific Group on Money Laundering (APG) is an autonomous regional body for APG members and observers to work together to combat money laundering and the financing of terrorism. The purpose of the APG is to facilitate the adoption, effective implementation and enforcement of internationally accepted standards against money laundering and the financing of terrorism, in particular the Forty Recommendations and Nine Special Recommendations on Terrorist Financing of the FATF. Fiji is one of the founding members of the APG and there it currently has 32 members and 10 jurisdictions as observer members.



The Financial Action Task Force (FATF) is an inter-governmental body whose purpose is the development and promotion of national and international policies to combat money laundering and terrorist financing. The FATF is therefore a "policy-making body" created in 1989 that works to generate the necessary political will to bring about legislative and regulatory reforms in these areas. The FATF has published 40 + 9 Recommendations in order to meet this objective.

The APG became an associate member of the FATF in 2006. Since Fiji is a member of APG, Fiji FIU has provided numerous comments on key policy papers issued by the APG and the FATF including:

- Formal endorsement of the definition of ‘Associate Member’
- APG application of associate membership of the FATF
- revised definition of ‘FATF-style regional body’
- paper on the enhancement of the quality and consistency of AML/CFT assessments and evaluations
- paper on APG continuity proposal
- paper on publication of APG mutual evaluation reports by APG, FATF and other bodies
- APG membership of Myanmar, Afghanistan and Canada.



FIU also prepared and presented Fiji’s AML/CFT training and technical needs paper at the APG donor agencies and providers group at the APG annual meetings. The FIU also presented two papers on Fiji’s AML World Bank assessment experience and case study on Fiji’s first money laundering case at the APG annual plenary in 2006.



*2006 APG Annual Plenary Meeting that was held in Manila, Philippines.
RBF, FIU & FIRCA officials attended the plenary from Fiji.
The World Bank Report on Fiji’s AML/CFT Assessment was adopted at the plenary meeting.*

4.5 Egmont Group



The Egmont Group, named after the venue in Brussels where the first such meeting of FIUs was held in June of 1995, serves as an international network to foster improved communication, networking and information exchange among FIUs. The Egmont Group provides a forum for FIUs around the world to improve support to their respective governments in the fight against money laundering, terrorist financing and other financial crimes. This support includes:

- expanding and systematizing international cooperation in the reciprocal exchange of financial intelligence information,
- increasing the effectiveness of FIUs by offering training and personnel exchanges to improve the expertise and capabilities of personnel employed by FIUs,
- fostering better and secure communication among FIUs through the application of technology, presently via the Egmont Secure Web (ESW), and
- promoting the establishment of FIUs in those jurisdictions without a national anti-money laundering/terrorist financing program in place, or in areas with a program in the beginning stages of development.

The Fiji FIU is the most advanced non-Egmont Group member in the Pacific Forum island region. The FIU has been actively seeking Egmont membership since 2005. Formal discussions were held in 2006 with the Egmont Outreach Working and as required completed Egmont questionnaire and other supporting documents were forwarded to the Group. Fiji FIU is hopeful that it will be admitted to the Group in 2008. The Group has 100 FIUs of the world as its current members.

5. Other Outputs for 2006

5.1 Corporate Services

A key task for the year was to equip the FIU staff appropriately to enable them to operate effectively and efficiently. Thus arrangements had to be made to ensure that the FIU was provided with proper office facilities and equipments.



The FIU office following renovations in 2006

The FIU was allocated office space in Tower 3 of the Reserve Bank building. During the 3rd quarter of 2006, as the FIU expanded in staff numbers, this office space was also increased to cater for the extra staff. Additional renovations were also carried out by the Property and Plant section of the Reserve Bank to ensure a proper, secure, and safe office environment for FIU staff.



The FIU was provided by Reserve Bank with computers and other necessary office equipments. It further purchased computers and other officer equipments for the efficient running of the office. With funding assistance from the Australian Government under the FFIMSO project, the FIU was provided with 4 additional desktop computers as well as 3 servers for the implementation of FFIMSO.

The Reserve Bank's IT Unit provided the FIU with excellent support during the year to ensure that FIU staff had access to the internet to enable them to use investigative tools available on the internet to analyse transaction reports or carry out background checks. The IT Unit also provided necessary IT maintenance services on a daily basis.

5.2 FIU Logo

A requirement in the initial establishment of the FIU was to come up with a logo to identify the role of the FIU and its autonomous status as provided in the FTR Act. The FIU logo design (pictured below) was created in early 2006.



As required, the use of the Fiji coat of arms was approved by the Office of the Prime Minister in 2006. The coat of arms signifies that the

FIU is a national independent agency with responsibilities to serve the country as a whole in combating money laundering and terrorist financing.

The coloured border is the Reserve Bank of Fiji's corporate logo. The use of the border was also approved by the Reserve Bank. The border signifies the support provided by the Reserve Bank to the FIU to enable it to carry out its functions and duties under the FTR Act. The support provided by the Reserve Bank to the FIU is in the form of financial, logistical, IT and administrative support.

5.3 Professional Development of Staff

To ensure that the FIU is able to effectively carry out its functions under the FTR Act, it is important that its staff competently and skilfully carry out their assigned duties. Thus the professional development and training of staff is a priority for the FIU during this early stage of its establishment.

The FIU took every opportunity in 2006 to send staff to training and professional development attachments on money laundering and terrorist financing issues. Efforts were also made to provide on the job coaching and mentoring to staff in their work.

A list of all trainings and work attachments undertaken by FIU staff in 2006 is provided in **Annex E**.

The FIU will continue to provide staff with opportunities for further training and professional development as this is essential for building up the capacity of the FIU.

All figures used in this report are in Fiji Dollars unless mentioned otherwise.

5.4 Snapshot of Fiji's Anti-Money Laundering Initiatives

Fiji's Initiatives on Combating Money Laundering and Terrorist Financing	
1997	Proceeds of Crime Act (effective date: June 1998)
1997	Mutual Assistance in Criminal Matters Act (effective date: June 1998)
1998	Membership to the Asia Pacific Group on Money Laundering (APG)
1998	Establishment of National Anti-Money Laundering Officials Committee
1999	Reserve Bank of Fiji's Guidelines to Counter Money Laundering
2001 2002 2003	Review of Fiji's Anti-Money Laundering initiatives by the IMF, including technical assistance
2001	Review of Fiji's Anti-Money Laundering initiatives by the ADB
2000	Implementation of the suspicious transaction reporting (STR) framework;
2002	Mutual evaluation of Fiji's anti-money laundering framework by the Asia Pacific Group (APG)
2003	Establishment of an interim Financial Intelligence Unit
2004	Enactment of the Financial Transactions Reporting Act ((effective date: January 2006)
2005	Amendments to Proceeds of Crime Act and Mutual Assistance in Criminal Matters Act
2005	Fiji hosted the 2005 8 th Annual APG Regional Typologies Workshop in Nadi
2005	1 st successful conviction for a money laundering offence in Fiji
2006	Effective date of the Financial Transactions Reporting Act
2006	Establishment of the Financial Intelligence Unit under the FTR Act.
2006	Assessment of Fiji's anti-money laundering framework by the World Bank

Contact Information

Financial Intelligence Unit
Tower 3, Reserve Bank Building
Reserve Bank of Fiji
Private Mail Bag
Pratt Street
Suva, Fiji

Tel: (679) 322 3333

Fax: (679) 331 6454

Website & Email under development

www.fijifu.gov.fj

info@fijifu.gov.fj

6. Glossary of acronyms

In alphabetical order:

ABIF	Association of Banks in Fiji
AMLAT	Anti-Money laundering Assistance Team
APG	Asia Pacific Group on Money Laundering
AUSTRAC	Australian Transaction Reports and Analysis Centre
AML	Anti-Money Laundering
BCR	Border Currency Report
CDD	Customer Due Diligence
CFT	Combating the Financing of Terrorism
CDR	Case Dissemination Report
CMDA	Capital Markets Development Authority
CTR	Cash Transaction Report
DNFBP	Designated Non-Financial Businesses and Professions
DPP	Director of Public Prosecutions
EFTR	Electronic Funds Transaction Report
FIU/Fiji FIU	Financial Intelligence Unit
FATF	Financial Action Task Force
FTIB	Fiji Islands Trade & Investment Bureau
FTR	Financial Transactions Reporting
FTR Act	Financial Transactions Reporting Act 2004
FT	Financing of Terrorism
FFIMSO	Fiji FIU Financial Information Management System On-Line
FIRCA	Fiji Islands Revenue and Customs Authority
FSAP	Financial Sector Assessment Programme
ML	Money Laundering
MOA	Memorandum of Agreement
PALP	Pacific Anti-Money Laundering Project
PIF	Pacific Islands Forum
PIFS	Pacific Islands Forums Secretariat
RBF	Reserve Bank of Fiji
STR	Suspicious Transaction Report
UN	United Nations
UNODC	United Nations Office on Drugs and Crime

7. Annex A: Fiji's Rating of Compliance with FATF Recommendations

Fiji					
World Bank Assessment: Ratings of Compliance with FATF Recommendations					
Forty Recommendations		Rating			
		Compliant	Largely Compliant	Partially Compliant	Non Compliant
		C	LC	PC	NC
Rec. #	Legal systems				
1	ML offence		√		
2	ML offence—mental element and corporate liability		√		
3	Confiscation and provisional measures			√	
	Preventive measures				
4	Secrecy laws consistent with the Recommendations	√			
5	Customer due diligence			√	□
6	Politically exposed persons			√	□
7	Correspondent banking			√	□
8	New technologies & non face-to-face business				√
9	Third parties and introducers	√			
10	Record keeping			√	
11	Unusual transactions			√	
12	DNFBP—R.5, 6, 8–11			√	
13	Suspicious transaction reporting			√	
14	Protection & no tipping-off	√			
15	Internal controls, compliance & audit			√	
16	DNFBP – R.13–15 & 21			√	
17	Sanctions			√	
18	Shell banks			√	
19	Other forms of reporting	√			
20	Other NFBP & secure transaction techniques	√			
21	Special attention for higher risk countries			√	
22	Foreign branches & subsidiaries	√			
23	Regulation, supervision and monitoring			√	
24	DNFBP - regulation, supervision and monitoring			√	
25	Guidelines & Feedback			√	
	Institutional and other measures				
26	The FIU			√	
27	Law enforcement authorities			√	
28	Powers of competent authorities	√			
29	Supervisors			√	

Forty Recommendations		Rating			
		Compliant	Largely Compliant	Partially Compliant	Non Compliant
		C	LC	PC	NC
Rec. #	Institutional and other measures				
30	Resources, integrity and training			√	
31	National co-operation	√			
32	Statistics			√	
33	Legal persons – Beneficial Owners			√	
34	Legal Arrangements – Beneficial Owners			√	
	International Cooperation				
35	Conventions			√	
36	Mutual Legal Assistance (MLA)		√		
37	Dual criminality		√		
38	MLA on confiscation and freezing		√		
39	Extradition		√		
40	Other forms of co-operation			√	
	Nine Special Recommendations				
SR.I	Implement UN instruments				√
SR.II	Criminalize terrorist financing			√	
SR.III	Freeze and confiscate terrorist assets				√
SR.IV	Suspicious transaction reporting			√	
SR.V	International cooperation			√	
SR.VI	AML/CFT requirements for money/value transfer services			√	
SR.VII	Wire transfer rules			√	
SR.VIII	Non-profit organizations			□	
SR.IX	Cash Border Declaration & Disclosure			□	
40 + 9		8	6	32	3
Compliant: The Recommendation is fully observed with respect to all essential criteria.					
Largely Compliant: There are only minor shortcomings, with a large majority of the essential criteria being fully met.					
Partially Compliant: The country has taken some substantive action and complies with some of the essential criteria.					
Non-Compliant: There are major shortcomings, with a large majority of the essential criteria not being met.					
Not Applicable: A requirement or part of a requirement does not apply, due to the structural, legal or institutional features of a country. e.g. a particular type of financial institution does not exist in that country.					

8. Annex B: Sequence of the World Bank's Assessment Events

Date	Events
December 2005	Fiji responded to the World Bank's preparatory questionnaire
January 2006	<ul style="list-style-type: none"> • Fiji responded to the World Bank's detailed assessment questionnaire. • Copies of relevant laws, regulations, policy documents and reports were sent to the World Bank Assessment team.
20 February – 4 March 2006	<ul style="list-style-type: none"> • On-site assessment visit by the World Bank Assessment Team comprising of : <ul style="list-style-type: none"> - Ms. Heba Shams (Legal Expert and Team Leader) - Mr. Mark Butler (Law Enforcement Expert) - Mr. Allan Schott (Financial Expert) • On-site meeting with Government and private sector agencies and financial institutions. (47 meetings totalling some 90 hours were held during the two weeks) • Two meetings with the National AML Officials Committee were held on Monday 20th February and Friday 3rd March.
28 th February 2006	Fiji Government official function for the assessment team which was hosted by the Attorney General and Minister for Justice.
2 nd March 2006	Official lunch function for the assessment team which was hosted by the Deputy Governor of the Reserve Bank of Fiji.
3 March 2006	World Bank Assessment Team handed over the Aide Memoir and Draft Assessment Report to CEO for Justice.
March –May 2006	Extensive discussion of findings, compliance ratings and recommendations between World Bank Assessment Team and Fiji authorities led by Director FIU.
June 2006	Final Draft Assessment Report was agreed upon by the World Bank and National AML Officials Committee.
July 2006	<p>World Bank Assessment Report discussed and adopted at the APG Annual Plenary Meeting in Manilla, Philippines. (The Fiji delegation was led by the Deputy Governor of the Reserve Bank of Fiji)</p> <p>Feedback on the assessment report and its adoption at the APG Plenary was discussed at the National AML Officials Committee.</p>
August/September 2006	Cabinet Information Paper on the World Bank Assessment Report findings.
October –December 2006	Preparation of detailed Implementation Action Plan and its endorsement by the National AML Officials Committee.
October 2006 (deferred to 2007)	Publication of the Assessment Report by APG and World Bank.
	Mr. Razim Buksh (Director FIU) was appointed as lead coordinator for Fiji for the World Bank's AML/CFT assessment program.

9. Annex C: Members of the National Anti-Money Laundering Committee

	Member Agency
1.	Ministry of Justice- Chief Executive Officer chairman
2.	Financial Intelligence Unit- secretariat
3.	Reserve Bank of Fiji
4.	Ministry of Home Affairs
5.	Immigration Department
6.	Fiji Trade & Investment Bureau
7.	Capital Markets Development Authority
8.	Ministry of Finance
9.	Office of the Director of Public Prosecutions
10.	Office of the Auditor General
11.	Fiji Islands Revenue & Customs Authority
12.	Fiji Police Force
13.	Ministry of Foreign Affairs
14.	Fiji Law Reform Committee
15.	PALP representative
16.	AMLAT representative

Meetings of the Anti-Money Laundering Officials Committee for 2006

	Date of Meeting
1.	20 th February
2.	3 rd March
3.	20 th April
4.	31 st May
5.	29 th June
6.	7 th September
7.	27 th September
8.	30 th October
9.	29 th November

10. Annex D: Training & Awareness Presentations by the FIU

Anti-Money Laundering Presentations Delivered by FIU in 2006				
MONTH	TOPIC	ORGANISATION	VENUE	PRESENTER
JANUARY				
8 th	Money Laundering & Proceeds of Crime	Fiji Police	Suva, Fiji	Razim Buksh
MARCH				
8 th	Money Laundering & the FTR Act	Fiji Military Forces	Suva, Fiji	Razim Buksh
APRIL				
6 th	Money Laundering	Regional Auditor General's Workshop	Nadi, Fiji	Razim Buksh
MAY				
26 th – 29 th	Impact of the FTR Act on Solicitors	Fiji Law Society Annual Convention	Sigatoka, Fiji	Razim Buksh
31 st	Money Laundering	Office of the Auditor General	Suva	Razim Buksh
JUNE				
5 th – 9 th	Implementing International AML/CFT Standards -Fiji Experience and Challenges	AMLAT Workshop	Sydney, Australia	Razim Buksh
28 th	Money Laundering & What Are We Doing About It	Fiji Development Bank	Suva, Fiji	Razim Buksh
JULY				
3 rd – 7 th	Fiji's Recent Experiences on AML/CFT Assessment	APG Annual Meeting	Manila, Philippines	Razim Buksh
9 th	Establishing Client Information and Source of Funds	Fiji Law Society	Sigatoka, Fiji	Razim Buksh
NOVEMBER				
14 th – 16 th	Fiji's First Money Laundering Conviction- A Case Study	APG Typologies Workshop	Jakarta, Indonesia	Razim Buksh
DECEMBER				
1 st	FTR Act and its Effects on Insurance Industry and Insurance Agents	Sun Insurance Company	Suva, Fiji	Razim Buksh
3 rd	Emerging Fraud Trends in Fiji	Fiji TV "Crime Stoppers" Programme	Suva, Fiji	Razim Buksh

11. Annex E: FIU Staff Training

Trainings Attended by FIU Staff-2006					
SEMINAR/ COURSE/ MEETING/ ATTACHMENT	STAFF	DATE	VENUE	ORGANISER	FUNDED BY
Terrorism, Transnational Crime, Border Security Seminar	Rajas Swamy	27-30 January	Suva	Forum Secretariat	Forum Secretariat
7 QC Tools for Quality Practitioners	Rajas Swamy	30-31 May	RBF, Suva	RBF	-
Training on Rewards and Recognition	Rajas Swamy	30-31 May	RBF, Suva	RBF	-
Regional Workshop for Pacific FIUs	Razim Buksh	5-9 June	Sydney, Australia	AMLAT	AMLAT
Measuring Human Resources	Razim Buksh	26-Jun	RBF, Suva	Fiji Human Resource Inst.	-
Oracle Database 10G: Administration Workshop I	Patrick Queet	26-30 June	Suva	Datec Ltd	AUSTRAC
9th Annual Meeting of the APG on Money Laundering	Razim Buksh	3-7 July	Manilla, Philippines	APG Secretariat	RBF
Oracle Database 10g: Program with PL/SQL	Patrick Queet/ Amar Mistry (RBF)	17-21 July	Suva	Datec Ltd	AUSTRAC
Java Programming Basics	Patrick Queet/ Amar Mistry (RBF)	24-26 July	Suva	Datec Ltd	AUSTRAC
Java Programming Advanced	Patrick Queet/ Amar Mistry (RBF)	27 July - 1 August	Suva	Datec Ltd	AUSTRAC
Linux Administration	Patrick Queet/ Amar Mistry (RBF)	11-15 September	Sydney, Australia	Red Hat @ HP	AUSTRAC
Financial Crimes & Money Laundering Seminar	Caroline Pickering	7-8 November	Wellington, New Zealand	NZ FIU	RBF
APG Special Annual Meeting & Typologies Workshop	Razim Buksh	14-16 November	Jakarta, Indonesia	APG Secretariat	AMLAT
AUSTRAC Business Attachment	Laisa Kubuabola/ Caroline Pickering/Reanu Ramani (RBF)	20-24 November	Sydney, Australia	AUSTRAC	AUSTRAC