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DIRECTOR'S FOREWORD



I am pleased to present the 2016 Annual Report of the FIU. This is the 11th Annual Report of the FIU.

The FIU in its 11 years of operation continues to be the lead agency to combat money laundering and related serious crimes in Fiji. The major AML/ CFT outputs in 2016 reflect the ever challenging environment that the FIU operates in Fiji.

The FIU's key outcomes in 2016 were the finalisation of Fiji's mutual evaluation report by the Asia Pacific Group on Money Laundering (APG), achievements in intelligence development and networking, the successful hosting of Egmont Committee meeting, delivering capacity building attachment programme for smaller FIUs in the Pacific, leadership role with the APG and the Egmont Group, and improving Fiji's adherence to international AML/CFT requirements.

The FIU also contributed to the following functional areas and operational network in 2016:

- Intelligence management;
- AML/CFT policy and training;
- Compliance by financial institutions and enforcement;
- Compliance with international standards;
- Domestic and international networking;

- Providing technical assistance and training; and
- FIU administration and operations.

The 2016 Annual Report is divided into two parts:

- Annual report section; and
- Strategic Analysis section.

The Annual Report section highlights key functional and operational outputs while the Strategic Analysis section highlights the underlying patterns and trends.

The following is a summary of the FIU's outputs and performance for 2016:

- received and analysed 579 suspicious transaction reports;
- received 590,385 cash transaction reports;
- received 1,148,711 electronic funds transfer reports;
- managed nearly 10 million financial transaction reports on our database;
- received 547 border currency reports;
- disseminated 195 intelligence reports to law enforcement agencies;

- issued 14 Alert Notices to financial institutions on suspicious persons and entities;
- issued one Directive to financial institutions;
- handled 213 requests for investigative assistance from law enforcement agencies;
- handled 41 requests for due diligence and background checks from government agencies;
- provided AML and FTR Act training to 320 officers of financial institutions and 67 officers of law enforcement agencies;
- made 464 enquiries and requests for further information from financial institutions;
- enrolled 61 officials at the National AML Computer Based Training Centre;
- provided secretariat support for the National AML Council and Working Groups;
- issued 21 adhoc policy advisories;
- conducted onsite compliance assessments of two law firms and two accounting firms;
- conducted offsite compliance assessments of reporting and record keeping obligations of larger financial institutions;
- registered 96 AML Compliance Officers of financial institutions (since 2006);
- managed 102 current authorised users of the FIU's online IT system;
- signed a Memorandum of Agreement (MOA) with the Fijian Elections Office.

International and Regional Leadership:

I continued in my new role as the regional representative of the Asia and Pacific region of the Egmont Group and a member of the Egmont Committee. I successfully hosted the Egmont Committee meeting in May 2016 in Nadi. This was the first time such a high-level meeting was held in any Pacific Island country. I also led the Fijian delegation to the APG plenary meeting in San

Diego in September 2016 where Fiji's mutual evaluation report was discussed and adopted.

The FIU also continued to take regional leadership by providing information technology technical assistance and short-term capacity building work attachments for new FIUs in the Pacific Island countries.

The FIU led the Pacific frauds project for the APG.

Looking ahead in 2017:

The FIU will continue to engage with the APG on Fiji's mutual evaluation process by providing regular reports and updates on the progress Fiji has made to align our AML/CFT systems in line with the international standards.

The FIU will collaborate with the National AML Council on the implementation of APG recommendations and the findings of the national risk assessment. The FIU will continue to support the implementation of the national security strategy, the national cybersecurity strategy, the unexplained wealth task force and counter-terrorism and its financing framework.

I would like to thank the Governor and the Board of the Reserve Bank of Fiji for providing financial and administrative support to the FIU in 2016.

I would like to also thank the Commissioner of Police and the Chief Executive Officer of the FRCA for seconding their officers to the FIU.

I look forward to working more closely with our stakeholders in 2017 in achieving our vision of "Protecting Fiji from Money Laundering".



Razim Buksh
Director
Financial Intelligence Unit