

ANNUAL REPORT 2013

FIU SINT MAARTEN



Table of Contents

| | |
|---|-----------|
| LIST OF ABBREVIATIONS | 4 |
| MISSION STATEMENT | 5 |
| VISION STATEMENT | 5 |
| MESSAGE OF THE DIRECTOR | 6 |
| 1. OVERVIEW ACTIVITIES AND ORGANIZATION OF THE FIU | 9 |
| 1.1 THE ORGANIZATION OF THE FIU | 9 |
| 1.2 DUTIES AND ACTIVITIES OF THE FIU PURSUANT TO ARTICLE 3 OF THE NATIONAL ORDINANCE REPORTING UNUSUAL TRANSACTIONS (NORUT) | 11 |
| 2. MUTUAL EVALUATION OF SINT MAARTEN | 14 |
| 2.1 KEY FINDINGS OF THE EVALUATION AND ACTION PLAN | 14 |
| 2.2 ACTION PLAN | 15 |
| 3. STATISTICS AND REPORTING BEHAVIOR | 16 |
| 3.1. REGISTERING, PROCESSING AND ANALYZING FINANCIAL INFORMATION | 16 |
| 3.1.1. INTENDED AND EXECUTED TRANSACTIONS | 19 |
| 3.1.2. INDICATORS | 20 |
| 3.2. SUSPICIOUS TRANSACTIONS | 22 |
| 3.3. FINANCIAL REPORTING ENTITIES | 24 |
| 3.3.1. <i>Banks</i> | 24 |
| 3.3.2. <i>Money Remitters</i> | 25 |
| 3.3.3. <i>Credit Card Companies and Credit Institutions</i> | 26 |
| 3.3.4. <i>Life Insurance Companies</i> | 27 |
| 3.4. DESIGNATED NON-FINANCIAL BUSINESSES AND PROFESSIONS (DNFBP) | 28 |
| 3.4.1. <i>Trust Companies</i> | 30 |
| 3.4.2. <i>Casinos</i> | 31 |
| 3.4.3. <i>Customs</i> | 32 |
| 3.5. FEEDBACK TO REPORTING ENTITIES | 33 |
| 3.6. ARTICLE 12 REQUESTS FOR ADDITIONAL INFORMATION | 33 |
| 4. ANALYSIS OF UNUSUAL TRANSACTIONS RECEIVED | 35 |
| 4.1. RECEIPT OF UTRS | 35 |
| 4.1.1. <i>Analysis</i> | 35 |
| 4.2. METHODS AND TRENDS (TYPOLOGIES) | 36 |
| 4.3 OWN INVESTIGATIONS | 36 |
| 4.4 CASES | 37 |
| 5. DISSEMINATION OF INFORMATION TO THE PPO AND NATIONAL AND INTERNATIONAL REQUESTS FOR INFORMATION | 41 |
| 5.1 NATIONAL REQUESTS FOR INFORMATION | 43 |
| 5.2 INTERNATIONAL REQUESTS TO AND FROM OTHER COUNTRIES | 44 |
| 5.3 THE PROCESSING OF UTRS AND STRS | 46 |
| 6. NATIONAL COOPERATION | 47 |
| 6.1. REPORTING ENTITIES | 47 |
| 6.2. LAW ENFORCEMENT AGENCIES AND THE PPO | 47 |
| 6.3. NATIONAL ADVISORY COMMITTEE | 47 |

| | |
|---|-----------|
| 6.4. MEETINGS WITH THE MINISTER OF JUSTICE | 47 |
| 6.5. CONSULTATIONS WITH THE CENTRAL BANK | 47 |
| 7. INTERNATIONAL COOPERATION | 48 |
| 7.1. INTERNATIONAL EXCHANGE OF INFORMATION | 48 |
| 7.2. COOPERATION IN THE KINGDOM | 49 |
| 7.3. CARIBBEAN FINANCIAL ACTION TASK FORCE (CFATF) | 49 |
| 7.4. THE EGMONT GROUP | 50 |
| PRIORITIES FOR THE YEAR 2014 | 52 |
| ANNEX 1 NORUT | 53 |
| ANNEX 2 LIST OF FIGURES | 69 |
| ANNEX 3 LIST OF TABLES | 70 |

FIU SINT MAARTEN

LIST OF ABBREVIATIONS

| | |
|--------------|---|
| AML/CTF..... | Anti Money Laundering/Counter Terrorism Financing |
| CFATF..... | Caribbean Financial Action Task Force |
| DNFBP..... | Designated Non-Financial Businesses and Professions |
| FATF..... | Financial Action Task Force |
| FIU (s)..... | Financial Intelligence Unit(s) |
| LEA..... | Law Enforcement Agencies |
| MOU..... | Memorandum of Understanding |
| NORUT..... | National Ordinance Reporting Unusual Transactions |
| NOIS..... | National Ordinance Identification when rendering Services |
| PPO..... | Public Prosecutor's Office |
| STRs..... | Suspicious Transaction Reports |
| UTRs..... | Unusual Transaction Reports |

This work falls under copyright of FIU Sint Maarten. You may download, display, print and reproduce this material in unaltered form only (retaining this notice) for your personal, non-commercial use or use within your organization. Where material has been sourced from other third-party sources, copyright continues.

Requests and inquiries concerning reproduction and rights for commercial use should be addressed to:
motinfo@justicesxm.com

MISSION STATEMENT

To protect the integrity of Sint Maarten's financial system and contribute to the justice system through ever-improving expertise in countering money laundering and the financing of terrorism.

VISION STATEMENT

A Sint Maarten community with financial and business sectors that are free of financial crime.

MESSAGE OF THE DIRECTOR

This report covers the activities of the Financial Intelligence Unit of Sint Maarten (the FIU), carried out during 2013, in exercising the various duties assigned to the FIU pursuant to the National Ordinance Reporting Unusual Transaction with regard to the fight against money laundering, and terrorism financing.

In March of the previous year, Sint Maarten was evaluated by the Caribbean Financial Action Task Force (CFATF). The objective of this evaluation was to check Sint Maarten's compliance with the 40 Recommendations with regard to the fight against money laundering and the 9 Special Recommendations regarding the fight against terrorism financing of the Financial Action Task Force (FATF). The final report including the conclusions of CFATF's evaluation of Sint was finalized on January 8th, 2013.

The evaluation reflected the level of compliance of the recently established autonomous country Sint Maarten with the 40+9 FATF Recommendations. With a view to those Recommendations which needed to be implemented and/or executed, an action plan was established by CFATF for Sint Maarten to comply with. Every year follow up meetings will be organized by CFATF, where the FIU of Sint Maarten is expected to give an update with regard to what has been done and is being done in order to become compliant with the respective FATF Recommendations.

The year 2013 saw some important priorities for FIU Sint Maarten taking effect. After having functioned as acting Head of FIU since the establishment of FIU Sint Maarten, the government of Sint Maarten appointed the undersigned as Head of FIU Sint Maarten in March 2013. This year the FIU moved to more spacious premises situated in the city center. A second supervisor for the Supervision department, a legal assistant and a Quality and Control Manager were appointed. The FIU also contracted a legal professional to assist with the legislative processes.

The FIU organized monthly meetings with the National Advisory Committee on AML/CTF issues, (CIWG), focusing on the domestic implementation of the Financial Action Task Force's (FATF's) standards.

In its third year of operation, the FIU of Sint Maarten received a total of 7169 unusual transactions reports (UTRs) with a value totaling ANG 573,864,729.00. A decrease of 26.7% compared to last year, when 9775 transactions were received. A reason can be the fact that in 2012 there was a peak of transactions received from the money remitting sector, due to overdue reporting.

The Bank sector reported the majority of the reports, being 4080 reports of unusual transactions amounting to ANG 388,810,951.00 The Bank sector was followed by the Money Remitting sector in number of reports, where 2534 reports were sent to the FIU, with a total value of ANG 17,604,109.00

Of the 7169 unusual transactions received this year, a total of 2068 were disseminated to the Public Prosecutor's Office (PPO) as transactions with a reasonable suspicion of money laundering and/or terrorism financing. A decrease of 47.6% compared to last year when a number of 3949 suspicious transactions were sent to the PPO. A reason for this decrease being the huge number of money remitting transactions in 2012, which were reported and after analyses, disseminated to the PPO.

Again no reports of unusual transactions were received from tax advisors, accountants, notaries, real estate agents, administrations offices and jewelers. The previous two years the jewelers' sector had reported a total of 6 unusual transactions.

This insufficient or total non-responsiveness from the non-financial reporting entities was one of the issues of concern raised by the CFATF in its evaluation of Sint Maarten. More so because the mentioned sectors, are considered internationally as gate keepers against money launderers and terrorism financiers. We should take great care that this insufficient or total non-responsiveness of the non-financial sectors with regard to their legal obligations regarding the prevention of money laundering and terrorism financing does not endanger the position of Sint Maarten in its international (tourism, trade and or investment) relations. Besides, non-reporting of unusual transactions can be considered a criminal act under the anti-money laundering legislation of Sint Maarten.

At the end of 2013 FIU Sint Maarten looks forward to goals to be achieved and back to matters that were dealt with. There are various goals on the agenda for 2014: first and foremost, we need to work on the areas for improvement as indicated by the CFATF evaluation and we will seek closer cooperation with the financial institutions and the Designated Non-Financial Businesses and Professions. We will also continue the operationalization process of the Supervision Department. The amended Criminal Code – in which terrorism financing has been criminalized – must be enforced as soon as possible. The staff of the FIU will undergo relevant AML/CTF trainings and the other actors in the reporting chain, amongst others Law Enforcement Agencies, need to get AML/CTF training. The common denominator in all this is strengthening the cooperation with the other actors in the reporting chain, which will increase our combined effectiveness in fighting money laundering and the financing of terrorism.

FIU Sint Maarten continues in its objective to make Sint Maarten a more AML/CTF compliant place, with a view to the FATF Recommendations. This is done by cooperating effectively with our local and international partners and by assisting the reporting entities and the general population to learn how to avoid to be (ab)used by those subjects that are involved in money laundering and terrorism financing.

This annual report provides an overview of our activities in the year 2013 which I trust will provide useful insights to its readers about the work we do.



Ligia Stella MSc
Head of FIU Sint Maarten

FIU SINT MAARTEN

1. OVERVIEW OF ACTIVITIES AND ORGANIZATION OF THE FIU

It is important when preparing an annual report regarding the activities of a Financial Intelligence Unit, to indicate to the reader which dates have been taken into account when completing the report.

FIU Sint Maarten uses the date the transactions are registered at the FIU as starting point. This way all transactions registered by the FIU in the respective year will be taken into account and consequently a more accurate view can be given of the work of the FIU in that year. With regard to the furnishing or dissemination of suspicious transactions to Law Enforcement Agencies, (LEA), and the Public Prosecutor's Office, (PPO), the date these transactions were disseminated will apply.

1.1 The organization of the FIU

The FIU of Sint Maarten resorts under the Minister of Justice. The FIU is an administrative FIU; this entails that only the Head and the tactical and operational analysts employed at the FIU are authorized to access the database with unusual transactions. When the FIU was set up, it was decided by government that due to, among other things, the privacy of the citizens, the FIU would be an administrative FIU and would act as a buffer between, on the one side the reporting entities and on the other side the PPO and LEA. The database of the FIU cannot be accessed by the lea or the PPO.

In March 2013 the Head of the FIU was appointed. The acting Secretary General of Justice who had been coordinating and supervising the work of the FIU was appointed as the Head of FIU Sint Maarten.

In this reporting year the staff of the FIU was expanded with a second supervisor for the Supervision department, a legal assistant to assist the FIU in certain legal matters and a Manager Quality and Control. Besides the Head, the staff now consists of 7 persons, namely two tactical and operational analysts (with one of the analysts functioning as IT-analyst), an office manager, the two Designated Non-Financial Businesses and Professions (DNFBP) supervisors, the legal assistant and the Quality and Control Manager.

In this year the FIU also contracted a senior legal advisor to assist in among other things the developing of new AML/CTF laws, the amendment of the existing AML/CTF laws and to assist in the setting up of the organization of the FIU.

In the following organizational chart, the new departments of Legal and Policy and Quality and Control have been inserted.

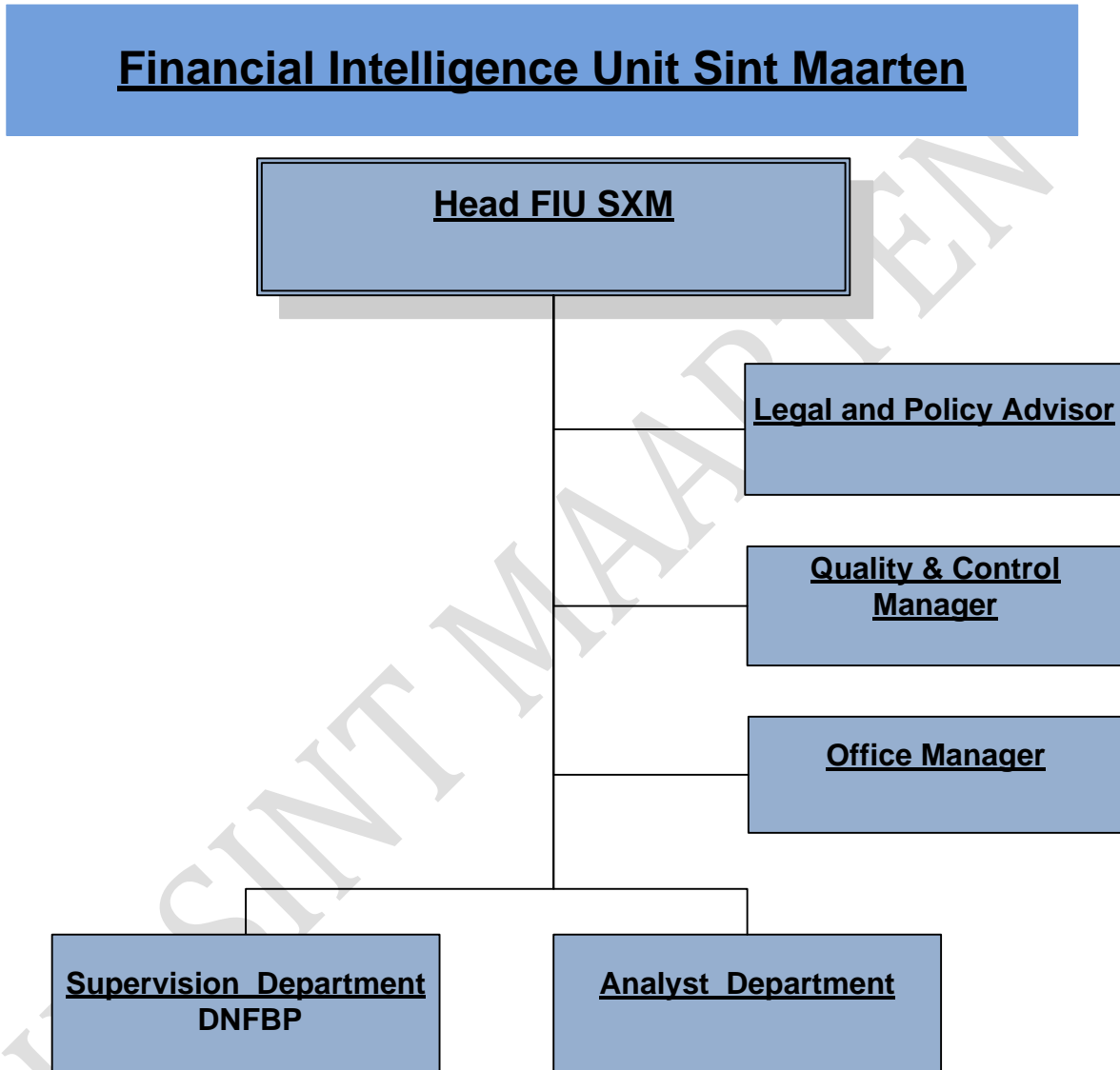


Figure 1. Organizational Structure FIU Sint Maarten 2013

1.2. Duties and activities of the FIU pursuant to article 3 of the National Ordinance Reporting Unusual Transactions (NORUT)¹

In this section we will give an overview of the tasks of FIU Sint Maarten pursuant to the NORUT as executed during this reporting year.

A. Collect record, process and analyze the data it obtains.

In 2013, its third year of operation, the FIU of Sint Maarten received and analyzed a number of 7169 reports of unusual transactions (UTRs). Of the UTRs received, a number of 6735 regarded transactions which were executed and 434 were intended transactions. Intended transactions are those transactions whereby the client decides not to continue with the respective transaction. During this year no reports were received from accountants, notaries, jewelers, the administration offices, tax advisors, real estate agents and the Central Bank. Of the received reports, a number of 4410 (including 330 credit card transactions) were received from the bank sector, while the second largest reporting sector in 2013 was the Money Remitting sector with 2534 reports.

Of the reports sent to the FIU the majority, 97%, was based on objective indicators and only 3% was based on subjective indicators. The FIU's objective in the coming years remains training the reporting entities with regard to the reporting of transactions based on the subjective indicator regarding a suspicion of money laundering/terrorism financing.

Last year the online reporting system was inaugurated. The reports sent to the FIU were done via the SERT Portal. The SERT (Sint Maarten Electronic Reporting Tool) Portal is a web application which allows the users, being the reporting entities, to easily and securely report unusual transactions through a regular web browser with an internet connection.

B. Provide data and information in accordance with the provisions set under or pursuant to the NORUT.

FIU Sint Maarten after analysis disseminated 2068 transactions to the PPO. This is a decrease of 1881 suspicious transactions compared with the previous year. The disseminated transactions a number were the result of own investigations done by the FIU, requests for information received from the PPO and information received from other FIUs.

Based on article 7 NORUT, the FIU received 9 requests for information from international FIUs and exchanged 443 UTRs with a value of ANG. 98,419,624.00.

¹ All legislation mentioned can be viewed on the website of the FIU: www.fiu-sxm.net

The FIU sent 8 requests for information in its turn to international FIUs. Based on its analytical work and on requests for information received, the FIU sent out 62 requests for additional information to the reporting entities based on article 12 of the NORUT.

- C. Informing persons or authorities who have made a disclosure in accordance with Article 11 with a view to proper compliance with the disclosure obligation about the conclusion of the disclosure.

After receipt of the reports of unusual transactions, all reporting entities were notified of the receipt of their reported transactions and received a letter of confirmation to this effect.

The respective reporting entities received feedback and were also informed of relevant transactions which had been disseminated to the PPO.

- D. Investigate developments in the areas of money laundering and terrorism financing and investigate improvements in the methods of preventing and tracking down money laundering and terrorism financing.

This year the FIU conducted 23 own investigations regarding money laundering and terrorism financing. Of these own investigations, a number of 13 investigations comprising 739 transactions with a value of ANG. 152,456,000.00 were disseminated to the PPO.

- E. Provide information and training to the industries and professional groups, the persons and authorities charged with supervising compliance with this national ordinance, the public prosecution department, the civil servants charged with tracking down criminal offences and the public concerning the manifestations and the prevention and combating of money laundering and the financing of terrorism.

This reporting year The FIU continued meeting with the National Advisory Committee, with regard to anti-money laundering issues and the evaluation of the CFATF and had monthly meetings with the Minister of Justice, the Attorney General and the LEA.

- F. Participate in meetings of international and inter-governmental agencies in the area of the prevention and combating of both money laundering and the financing of terrorism; as well as the independent conclusion of covenants or administrative agreements with other FIUs.

In 2013 the FIU participated in the XXXVII Plenary session of the Caribbean Financial Action Task Force (CFATF) meeting in Nicaragua and the CFATF Ministerial meeting in Miami, USA.



A staff member of the FIU participated in the 18th Annual International Anti-money laundering and Financial Crimes Conference in Miami.

This reporting year a total of 11 MOUs were signed. MOUs were signed with the FIUs of

Aruba, Barbados, Curacao, Grenadines, British Virgin Islands, Dominica, Dominican Republic, Guyana, Jamaica, Trinidad & Tobago and Turks & Caicos. The MOUs will make the exchange of information regarding among other things, money transactions between the signatories' countries, more efficient.



2. MUTUAL EVALUATION OF SINT MAARTEN

To check its compliance with international regulations in general and in particular with the 40 and 9 Recommendations of the Financial Action Task Force (FATF), regarding the fight against money laundering and terrorism financing, Sint Maarten was evaluated by the Caribbean Financial Action Task Force from March 19th to March 30th, 2012.

The evaluation was based on the laws, regulations and other materials supplied by Sint Maarten, and information obtained by the Evaluation Team during its on-site visit to Sint Maarten. During the on-site visit the Evaluation Team met with officials and representatives of relevant Sint Maarten government agencies and the private sector. The Examination Team consisted of a Legal Expert from Jamaica, a Financial Expert from the Bahamas, a Financial Expert from the Cayman Islands and a Law Enforcement Expert, from Barbados. The Team was led by the Legal Advisor of the CFATF Secretariat. The Experts reviewed the institutional framework, the relevant AML/CFT laws, regulations, guidelines and other requirements, and the regulatory and other systems in place to deter money laundering (ML) and the financing of terrorism (FT) through financial institutions and Designated Non-Financial Businesses and Professions (DNFBPs), as well as examining the capacity, the implementation and the effectiveness of all these systems

The final report was released in January 2013. The Report provides a summary of the AML/CFT measures in place in Sint Maarten as at the date of the on-site visit or immediately thereafter. It describes and analyses those measures, and provides recommendations on how certain aspects of the system could be strengthened. It also sets out Sint Maarten's levels of compliance with the FATF 40+9 Recommendations.

2.1 KEY FINDINGS OF THE EVALUATION AND ACTION PLAN

Some key findings in the report were:

Terrorism Financing (TF) is not independently criminalized and therefore there is no comprehensive treatment of terrorist financing in the Penal Code as required by the TF Convention. Additionally, no specific penalty is reflected in the Penal Code for the offence of TF, the indirect or unlawful provision of funding for the commission of a terrorism offence and the willful provision of funds etc. to individual terrorists are not criminalized.

Confiscation measures (under both pre-conviction and post-conviction circumstances) in the Penal Code do not always allow for the measures to be imposed without notice. Based on the insufficient statistics, the effectiveness of the confiscation regime could not be confirmed by the Evaluation Team

The Examiners raised a concern as it appears to be a limitation in the ability of Sint Maarten to implement freezing orders in accordance with subsequent terrorist related UNSCR without having to issue subsequent Sanctions National Decrees as necessary to implement UNSCR. This could have implications for responding to such matters without delay.

With regard to resources, it was found that several of the law enforcement agencies possess a shortage of suitably qualified officers trained in ML investigations. According to the evaluators some of the law enforcement agencies did not have adequate and relevant training for combating ML & TF. They also found that there was no allocation of financial resources for ML and TF.

The evaluators indicated the low number of staff at the FIU and also the need to appoint a Head for the FIU.

The FIU did not have any reports on statistical information with regard to the activities of the FIU and also no Provisions and Guidelines for the DNFBP

The Examiners were of the view that the prescriptive nature of the indicators in general, and the burden of reporting subjective (rules based) indicators, could detract from the FIUs reporting genuine suspicious transactions

The majority of DNFBPs interviewed during the onsite did not seem to be aware that they are subject to AML/CFT obligations under the NOIS. The Authorities have also acknowledged that outside of the services supervised by the Central Bank knowledge of the ML and FT laws, obligations and related processes is limited. The Examiners were concerned with the low number of UTRs submitted by DNFBPs. In particular, it was noted that only casinos and trust companies had submitted UTRs and that these numbers were very low.

The evaluators indicated that there was no comprehensive regulatory and supervisory AML/CFT regime in Sint Maarten for casinos and no AML/CFT requirements for internet casinos.

2.2 Action Plan

With a view to its compliance with the 40+9 Recommendation of the FATF, a recommended Action Plan was established for Sint Maarten after the evaluation. This action plan lists in order of priority the respective FATF Recommendations which Sint Maarten needs to implement and execute.

Every year so called follow up meetings will be organized where the FIU of Sint Maarten will indicate to the CFATF what steps Sint Maarten has c.q. is taking to be largely or fully compliant with its international AML/CTF obligations.

3. STATISTICS AND REPORTING BEHAVIOR

In this chapter the total number of reports of unusual transactions received in this reporting year will be dealt with, per individual reporting sector. An idea will also be given with regard to the trend in reporting by comparing reports received this year to the previous year, suspicious transactions disseminated to the PPO, the typologies of ML/TF detected in the disseminated reports and the use objective and/or subjective indicators. For the coming years it will be a priority for the FIU to train the reporting entities in sending more reports based on subjective indicators to the FIU.

The transactions which have been disseminated to the PPO and the division of the transactions received, in executed and intended transactions, can be reviewed in this chapter. We will first review the statistics of the financial sector and thereafter the Designated Non-Financial Businesses and Professions, the DNFBP.

3.1. Registering, processing and analyzing financial information

In the period 2013 a total of 7169 unusual transactions reports were received from the reporting entities with a value of ANG. 560,700,842.00 This is a decrease in reports received of 26.7% compared to the previous reporting period, when a number of 9775 UTRs was reported to the FIU.

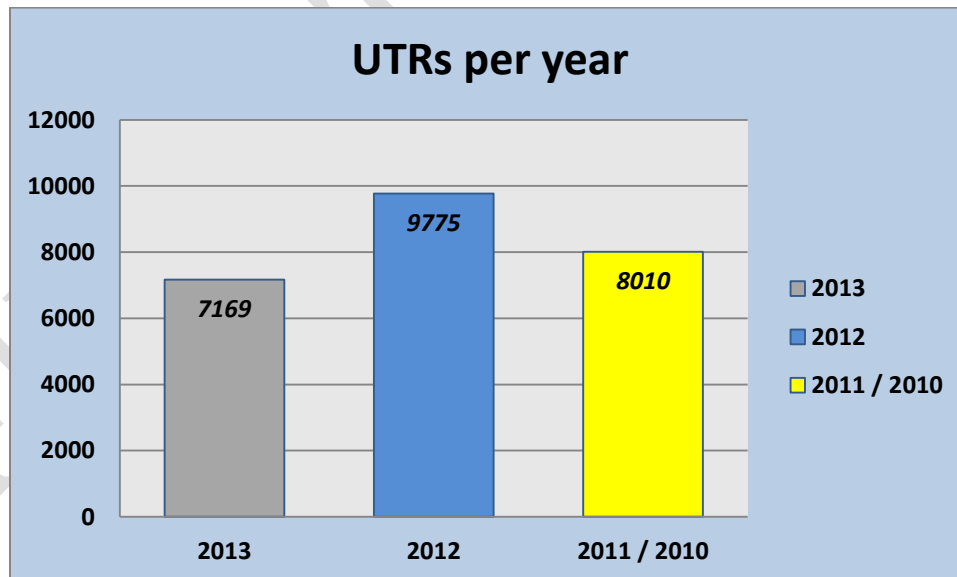


Figure 2. Total Reports over the years

UTRs 2013 on a Monthly Basis

In the following diagrams an overview is given of the UTRs received on a monthly basis. The overview for 2013 does not indicate any peaks in transactions received.

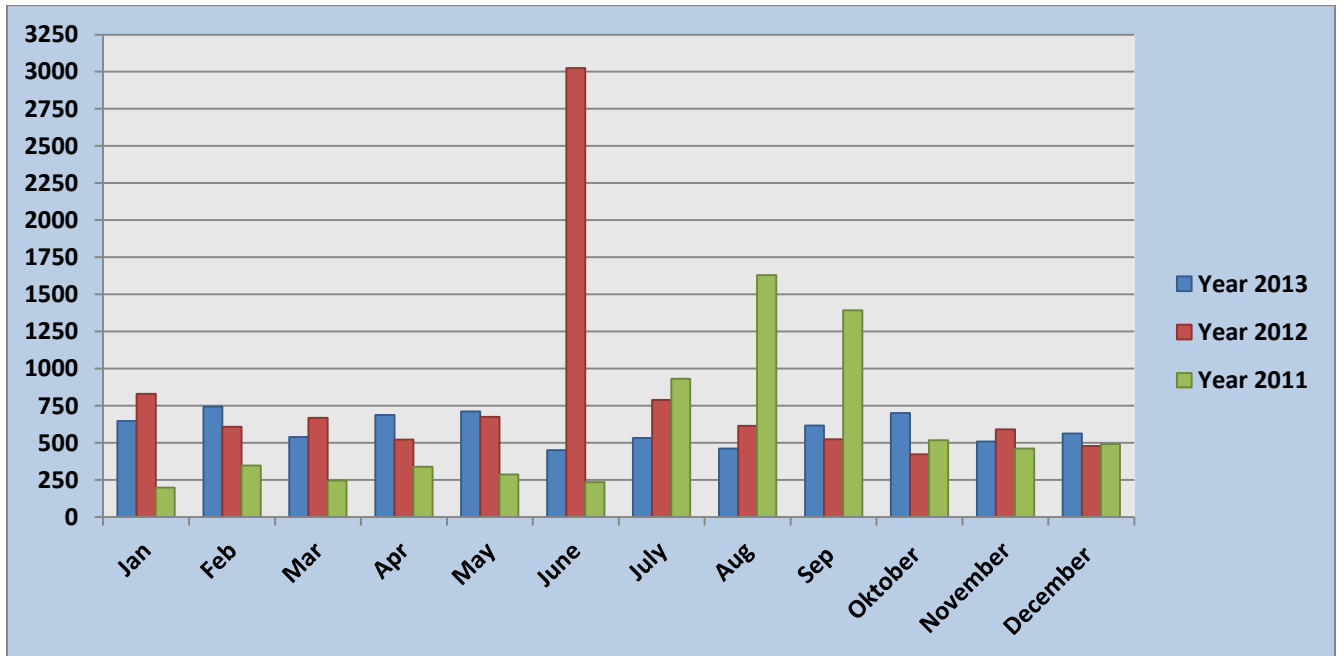


Figure 3. Total of UTRs per month of 2013

FIU SINT MAARTEN

The following table makes it clear that the bank sector is reporting the most unusual transactions to the FIU. This, among other things, is due to the fact that this sector has the most reporting indicators, especially objective indicators.

Reports per sector

| <u>Sector</u> | 2013 | | 2012 | | 2011 | |
|-------------------------------------|-------------|-----------------------|-------------|-------------------------|-------------|-------------------------|
| | UTRs | ANG | UTRs | ANG | UTRs | ANG |
| GB (General Banks) | 4080 | 388,810,951.00 | 5375 | 570,105,388.00 | 6237 | 527,739,939.00 |
| CB (Central Bank) | 0 | - | 0 | - | 0 | - |
| MR (Money Remitters) | 2534 | 17,604,109.00 | 3479 | 22,228,483.00 | 442 | 3,448,625.00 |
| CC (Credit Card transactions banks) | 330 | 4,427,049.00 | 381 | 4,616,818.00 | 713 | 8,589,647.00 |
| LI (Life Insurance) | 1 | 228,737.00 | 6 | 378,005.00 | 17 | 3,726,844.00 |
| TM (Trusts) | 34 | 2,646,735.00 | 27 | 5,240,773.00 | 6 | 2,578,553.00 |
| LA (Lawyers) | 1 | 1,613,700.00 | 3 | 715,725.00 | 1 | 437,812.00 |
| NO (Notaries) | 0 | - | 0 | - | 0 | - |
| JW (Jewelers) | 0 | - | 2 | 52,740.00 | 4 | 434,340.00 |
| AC (Accountants) | 0 | - | 0 | - | 0 | - |
| CD (Car dealers) | 17 | 910,525.00 | 1 | 60,840.00 | 1 | 97,200.00 |
| AO (Administration Offices) | 0 | - | 0 | - | 0 | - |
| Real Estate agents | 0 | - | 0 | - | 0 | - |
| TA (Tax Advisors) | 0 | - | 0 | - | 0 | - |
| CA (Casinos) | 11 | 743,745.00 | 18 | 1,082,388.00 | 16 | 1,351,272.00 |
| CU (Customs) | 129 | 143,715,291.00 | 483 | 466,921,989.00 | 573 | 645,328,493.00 |
| Non- categorized | 32 | 13,163,887.00 | 0 | - | 0 | - |
| Total all sectors | 7169 | 573,864,729.00 | 9775 | 1,071,403,149.00 | 8010 | 1,193,732,725.00 |

Table 1. Total of UTRs per year per sector

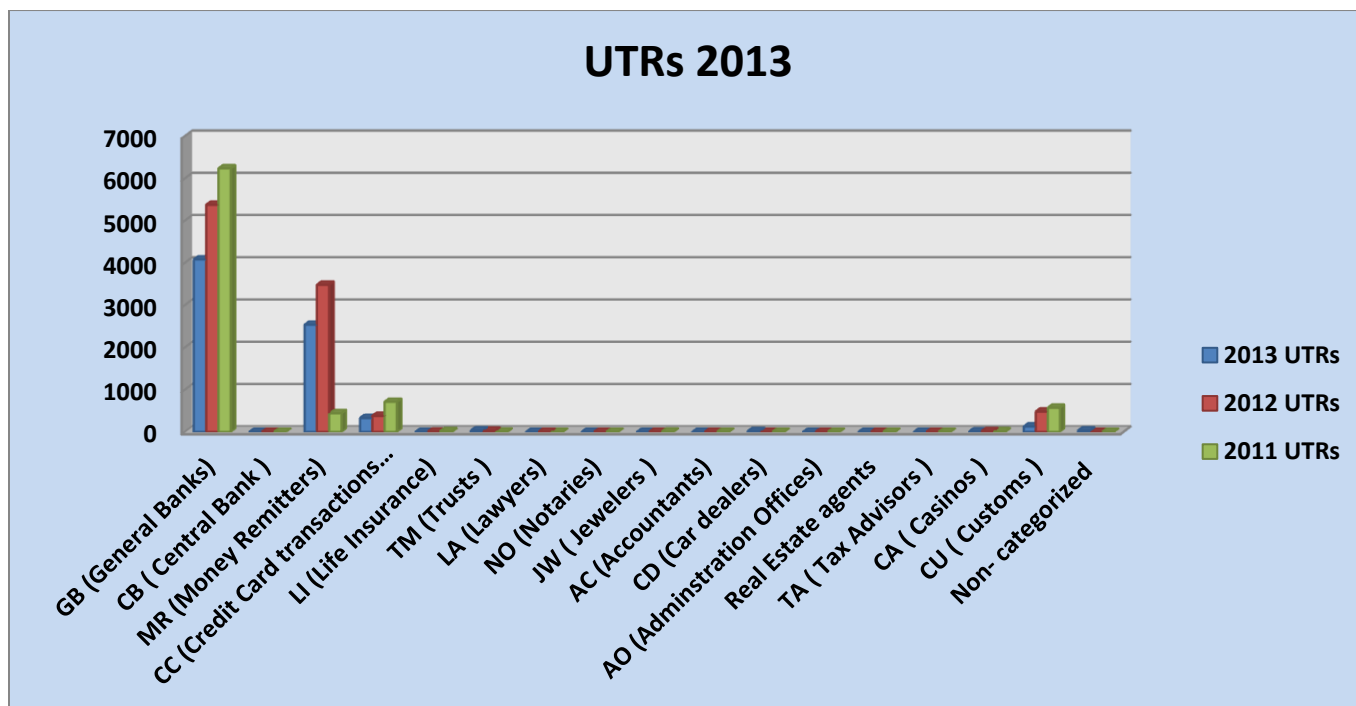


Figure 4. Total of UTRs per sector

3.1.1. Intended and Executed Transactions.

During the provision of the requested service, a client may decide, for whatever reason, to discontinue the transaction. This can be because the client just changed his mind, and/or did not like all the questions being asked, etc. In that case even though the transaction was not executed, this is considered an intended transaction and the reporting entity is then obliged by law to report these intended transactions to the FIU. These intended transactions are important in investigations done by the FIU. In the following table an idea is given of the relation between the intended and executed transactions.

Art.11 NORUT

| | Number | | Number | | Number | |
|--------------------|-------------|-----------------------|-------------|-------------------------|-------------|-------------------------|
| | 2013 | Value Ang | 2012 | Value Ang | 2011 | Value Ang |
| Executed Tr | 6735 | 569,105,073.00 | 9617 | 1,069,764,439.00 | 7971 | 1,192,326,601.00 |
| Intended Tr | 434 | 4,759,656.00 | 158 | 1,638,710.00 | 39 | 1,406,124.00 |
| Total Tr | 7169 | 573,864,729.00 | 9775 | 1,071,403,149.00 | 8010 | 1,193,732,725.00 |

Table 2. Total Executed and Intended transactions

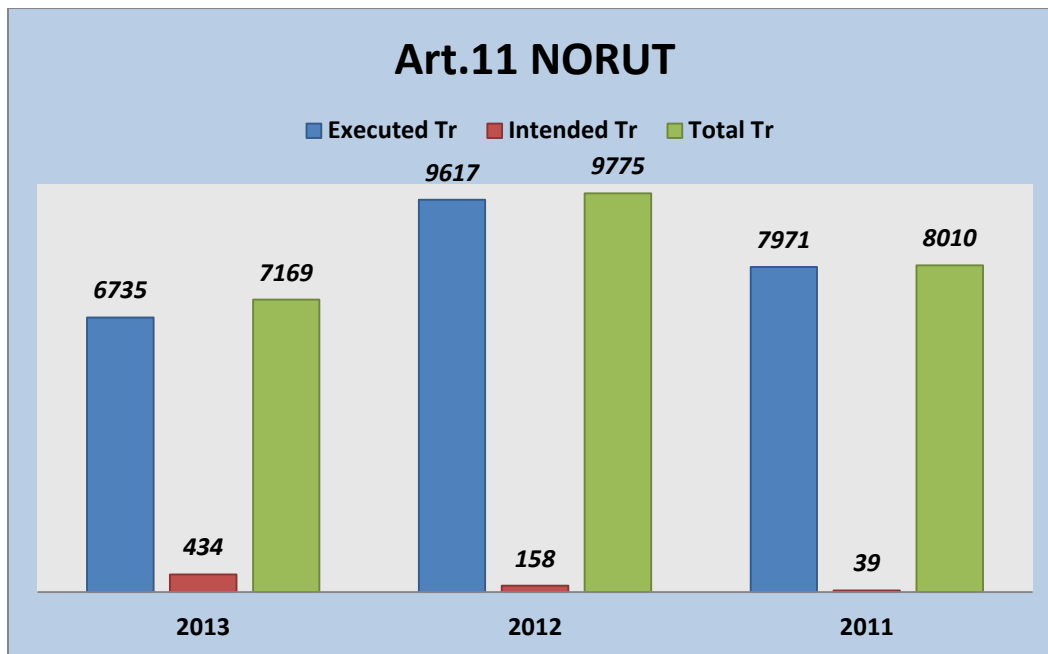


Figure 5. Total Executed and Intended transactions

3.1.2. Indicators

When reporting unusual transactions to the FIU, the reporting entities make use of indicators. Indicators have been established to make the term “unusual transaction” workable, manageable, or operational. The term “unusual transaction” is a legal term and may sometimes differ from what is known as “unusual” in the spoken language.

Indicators come in two sorts: the objective indicators and the subjective indicators. The objective indicators state explicitly when a reporting entity should send a report to the FIU. Everyone, whoever that person might be and whatever function they might have, who executes a transaction, which falls under an objective indicator, will be reported to the FIU. This does not mean that the client has now become a criminal. It only means that for the law an unusual transaction has been executed. Together with other information, from local and/or international sources, these objective reports might lead to a suspicion of money laundering and/or terrorism financing or not. If there is a suspicion, the FIU will disseminate them to the PPO. If there is no suspicion, then they will remain for at least five (5) years in the database of the FIU, after which they will be removed and destroyed.

When on the other hand, a reporting entity reports to the FIU, making use of a subjective indicator, this means that for the reporting entity there is a suspicion of money laundering and/or terrorism financing. This might be based on the specific situation of the client, the attitude of the client, whether client is trying to avoid being reported, etc.

In these so called subjective reports, the reporting entity should elaborate over the reason of its suspicion. If after analysis, there is also a suspicion of money laundering and/or terrorism financing for the FIU, the transactions will be sent to the PPO. These subjective reports are very important for the analytical work of the FIU. They are based on the suspicion of money laundering/terrorism financing. In this reporting period 96% of the reports received were based on an objective indicator. The FIU will continue to stress the importance of reporting subjectively.²

The following diagram shows the percentage of objective vs. subjective indicators, where it can be seen that work needs to be done in training the reporting entities to report more using the subjective indicators.

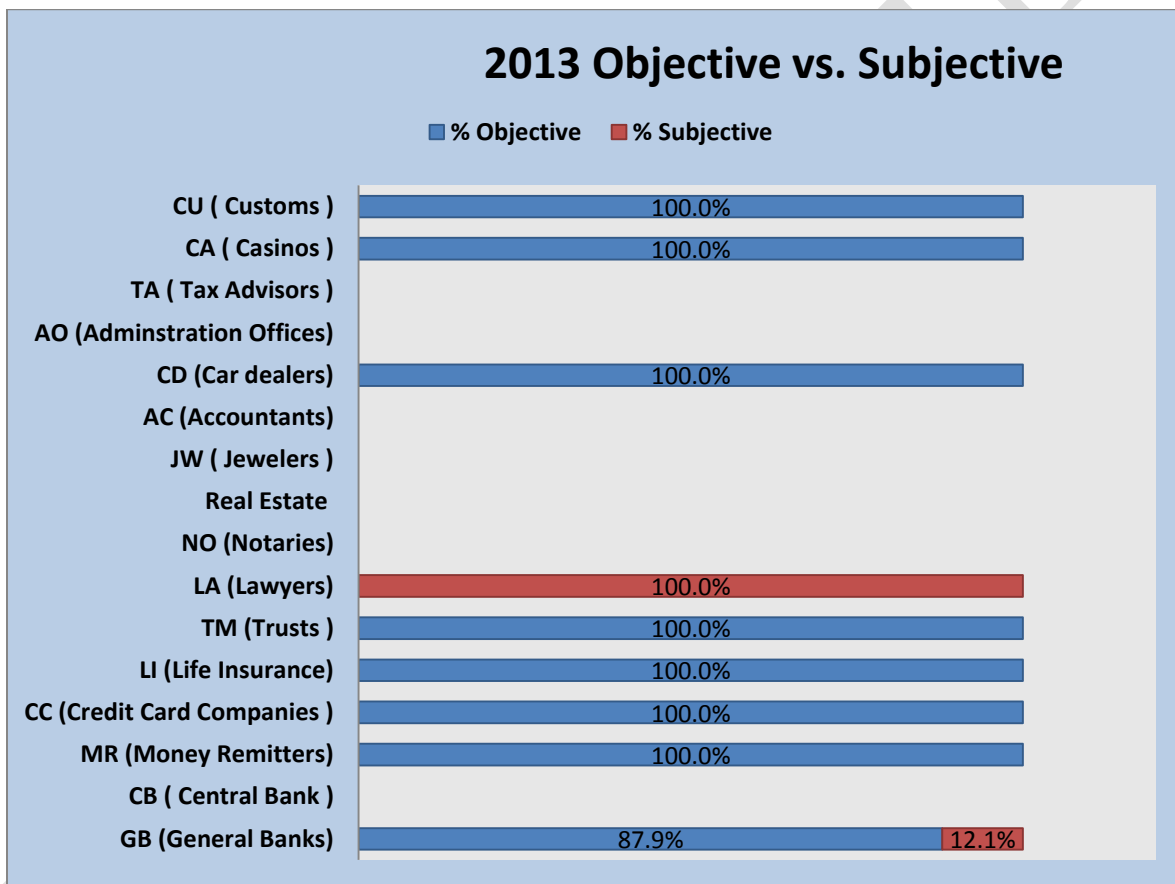


Figure 6. Objective vs Subjective reports in % of 2013

² The indicators list can be viewed on the website of the FIU: www.fiu-sxm.net

3.2. Suspicious Transactions

In 2013 after analysis by the Analyst Department of the FIU, 2068 transactions were disseminated to the PPO, as transactions having a reasonable suspicion of being involved with money laundering and/or terrorism financing. This is a decrease of 47.6% compared to the previous year. At the FIU, these transactions are indicated as suspicious transactions. The FIU of Sint Maarten, being an administrative FIU and as such a buffer between the LEA/PPO and the reporting entities, pursuant to article 5 of the NORUT, may only disseminate transactions for which the FIU has a reasonable suspicion of money laundering and/or terrorism financing

The following table and graph show the relation between the unusual transactions and the suspicious transactions, which have been disseminated to the PPO in the respective reporting periods.

Total unusual transactions vs suspicious transactions

| Year | UTR per year | STR per year | Value UTR ANG | Value STR ANG |
|-------------|--------------|--------------|------------------|----------------|
| 2013 | 7169 | 2068 | 573,864,729.00 | 239,183,741.00 |
| 2012 | 9775 | 3949 | 1,071,403,149.00 | 424,867,287.00 |
| 2011 / 2010 | 8010 | 1447 | 1,193,732,725.00 | 142,192,124.00 |

Table 3. UTRs vs. STRs

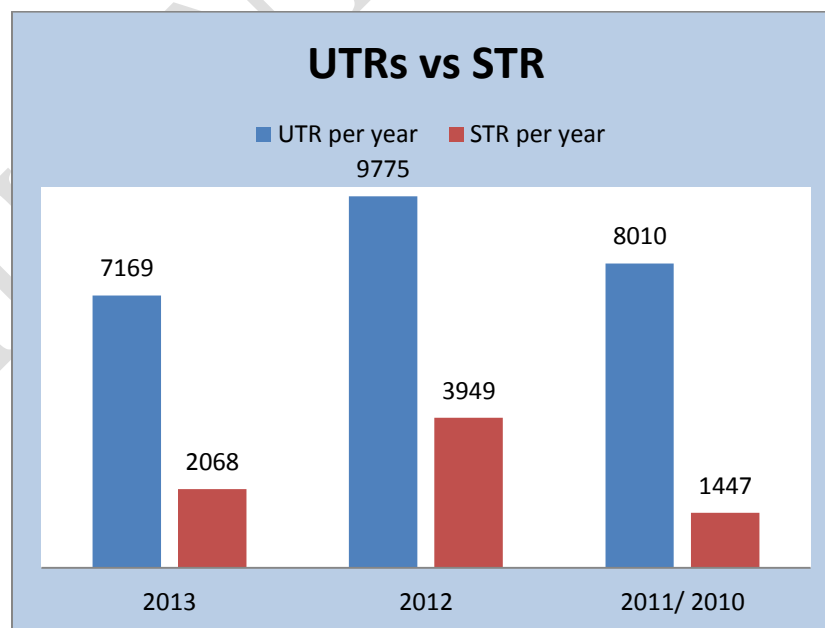


Figure 7. UTRs vs. STRs

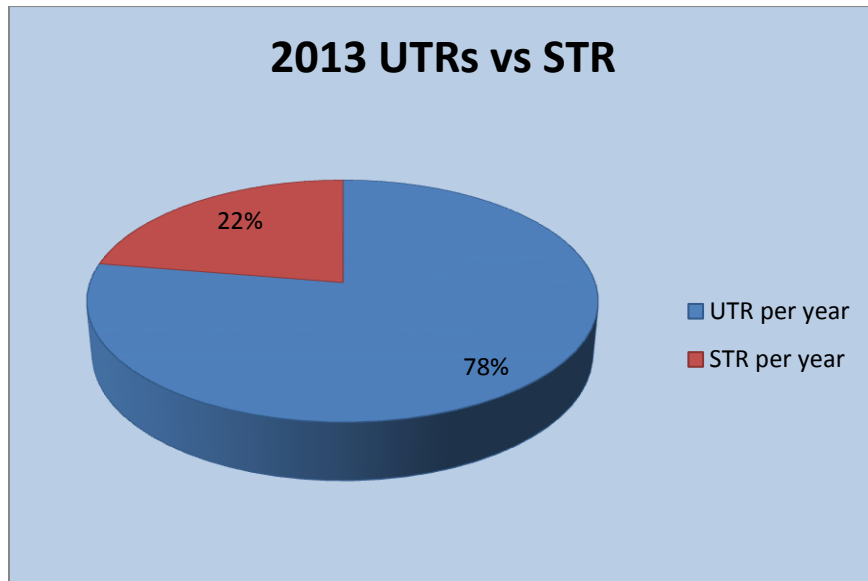


Figure 8. UTRs vs. STRs in 2013

Transactions which are received at the FIU are analyzed to check whether these transactions have a suspicion of money laundering/terrorism financing.

After analysis the transactions which gave rise to a suspicion of money laundering/terrorism financing, are disseminated to the PPO. The other transactions remain in the database for at least five years for ongoing analytical work.

The following table gives an indication of the actions taken on the UTRs received in this reporting period.

| <u>Received</u> | <u>Feedback on reports to Rep. Entities</u> | <u>Transactions with no suspicion ML/TF after analysis</u> | <u>Ongoing Analysis</u> | <u>Disseminated to PPO</u> | <u>Disseminated to other FIU's</u> |
|-----------------|---|--|-------------------------|----------------------------|------------------------------------|
| 7169 | 7169 | 1200 | 3901 | 2068 | 443 |

Table 4. Table of actions taken on UTRs in 2013

3.3. Financial Reporting Entities

3.3.1. Banks

The bank sector reports the majority of the unusual transactions to the FIU. A reason can be the many objective indicators which have been stipulated for banks. The FIU received 4080 reports of unusual transactions from the local banks. This is excluding 330 credit card transactions which were also reported by banks. Compared to the previous reporting period, the reports received from banks decreased with 24.09 %

General Banks

Number of UTRs reports

| Year | UTRs reports Banks | ANG |
|-----------|--------------------|----------------|
| 2013 | 4080 | 388,810,951.00 |
| 2012 | 5375 | 570,105,388.00 |
| 2011/2010 | 6237 | 527,739,939.00 |

Table 5. UTRs General Banks

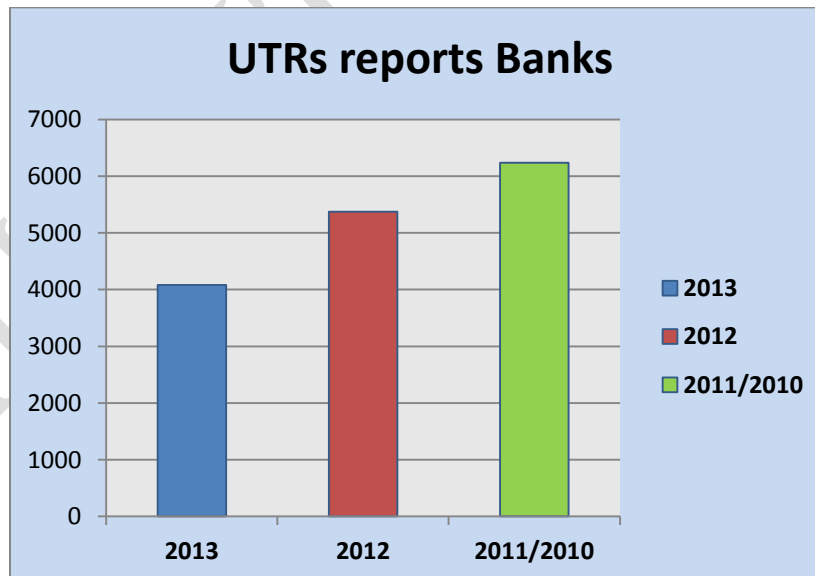


Figure 9. UTRs on General Banks

3.3.2. Money Remitters

The second largest reporting group this year is the money remitting sector. From this sector 2534 unusual transaction reports were received in this reporting period. Compared to the previous reporting period in which 3479 unusual transaction reports were received, this indicates a decrease of 27.16% in the reports of this sector. This huge increase in reports received last year was due to the reporting of many overdue reports by this sector.

Money Remitters

Number of UTRs reports

| Year | UTRs Money Remitters | ANG |
|-----------|----------------------|---------------|
| 2013 | 2534 | 17,604,109.00 |
| 2012 | 3479 | 22,228,483.00 |
| 2011/2010 | 442 | 3,448,625.00 |

Table 6. UTRs money remitters

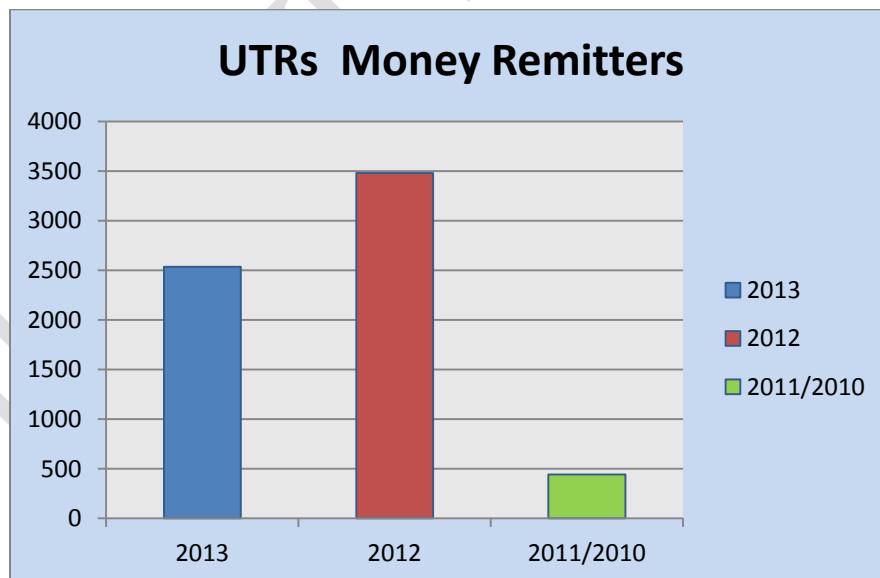


Figure 10. UTRs of Money Remitters

3.3.3. Credit Card Companies and Credit Institutions

With regard to credit card transactions the FIU received 330 transactions from banks. A decrease of 13.39% compared to the previous year.

Number of UTRs reports

| Year | UTRs Credit card Companies | ANG |
|------|----------------------------|--------------|
| 2013 | 330 | 4,427,049.00 |
| 2012 | 381 | 4,616,818.00 |
| 2011 | 713 | 8,589,647.00 |

Table 7. UTRs Credit Card transactions

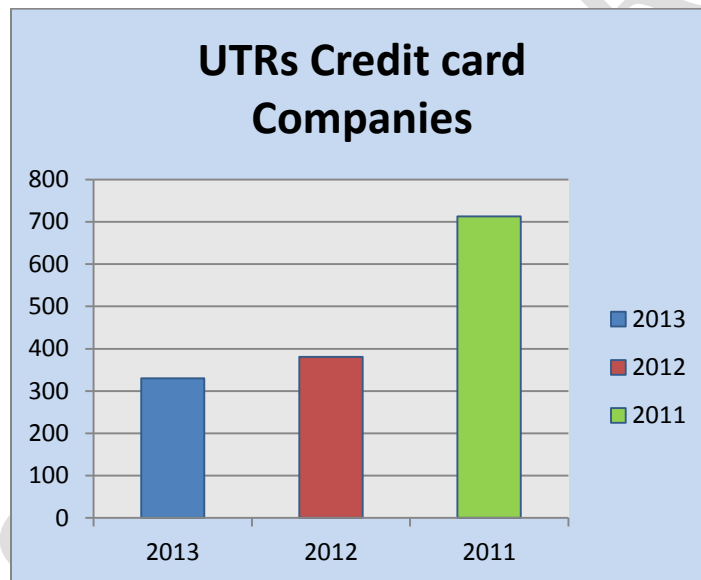


Figure 11. UTRs of Credit Cards

3.3.4 Life Insurance Companies

There are 11 life insurance companies and life insurance brokers registered at the FIU. It is therefore all the more remarkable that the life insurance sector, including the life insurance brokers, reported 1 unusual transaction in 2013 to the FIU. Last year the insurance sector in Sint Maarten reported 6 unusual transactions to the FIU. The FIU will request meetings with the Central Bank, in order to verify the reason of the reporting behavior of this sector.

Number of UTRs reports

| Year | UTRs Life Insurance | ANG |
|-----------|---------------------|--------------|
| 2013 | 1 | 228,737.00 |
| 2012 | 6 | 378,005.00 |
| 2011/2010 | 17 | 3,726,844.00 |

Table 8. UTRs Life Insurance

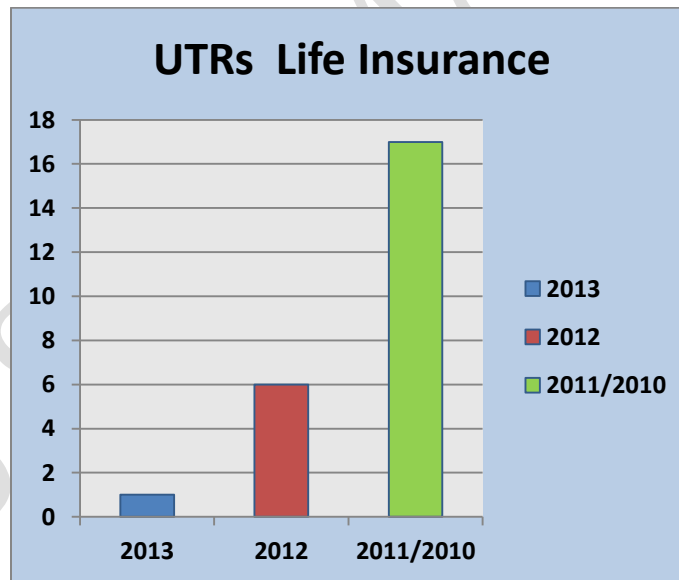


Figure 12. UTRs of Life Insurance Companies

3.4. Designated Non-Financial Businesses and Professions (DNFBP)

With the amendment of the NORUT in 2010 the Designated Non-Financial Businesses and Professions (DNFBP) became obligated to report unusual transactions to the FIU. Pursuant to the amended National Ordinance Identification when rendering Services (NOIS), these businesses and professions now falls under the supervisory authority of the FIU.

By law, the FIU has the authority to give instructions to the DNFBP with regard to issues of their obligations under the NORUT and the NOIS and audit their compliance with the aforementioned laws.

The group of DNFBP in Sint Maarten comprises: lawyers, real estate agents, notaries and candidate notaries, tax advisors, accountants, administration offices, jewelers and car dealers.

Officially Trust companies and Casinos also are indicated as DNFBP. However, the trust companies fall under the supervisory authority of the Central Bank of Curacao and Sint Maarten and the casinos have no anti-money laundering/terrorism financing supervisory authority at the moment. This was an issue that the CFATF evaluators negatively evaluated.

In 2013, the FIU received 63 UTRs from the DNFBP with a value of ANG. 5,914,705.00 divided over: the lawyers' sector, the car dealers, the trust sector and the casino sector. Most reports were received from the Trust sector, being 34 reports with a value of ANG. 2,646,735.00 In the previous reporting period the Trust sector reported a number of 27 unusual transactions to the FIU.

No reports of unusual transactions were received from: notaries, accountants, tax advisors, real estate agents, jewelers and the administration offices.

For the coming years, the FIU will be contacting all DNFBP with regard to their legal obligations under the anti-money laundering and terrorism financing legislation of Sint Maarten. Noncompliance with the National Ordinance Reporting Unusual Transactions can be considered a criminal act, punishable with up to 4 years' imprisonment and/or ANG. 500,000 in administrative fines.

Reports per sector DNFBP

| <u>Sector</u> | 2013 | | 2012 | | 2011 | |
|----------------------------|-----------|---------------------|-----------|---------------------|-----------|---------------------|
| | UTR | ANG | UTR | ANG | UTR | ANG |
| LA (Lawyers) | 1 | 1,613,700.00 | 3 | 715,725.00 | 1 | 437,812.00 |
| NO (Notaries) | | | | - | | - |
| JW (Jewelers) | | | 2 | 52,740.00 | 4 | 434,340.00 |
| AC (Accountants) | | | | - | | - |
| CD (Car dealers) | 17 | 910,525.00 | 1 | 60,840.00 | 1 | 97,200.00 |
| Real Estate agents | | | | - | | - |
| AO (Adminstration Offices) | | | | - | | - |
| TA (Tax Advisors) | | | | - | | - |
| TM (Trusts) | 34 | 2,646,735.00 | 27 | 5,240,773.00 | 6 | 2,578,553.00 |
| CA (Casinos) | 11 | 743,745.00 | 18 | 1,082,388.00 | 16 | 1,351,272.00 |
| Total all sectors | 63 | 5,914,705.00 | 51 | 7,152,466.00 | 28 | 4,899,177.00 |

Table 9. UTRs DNFBP

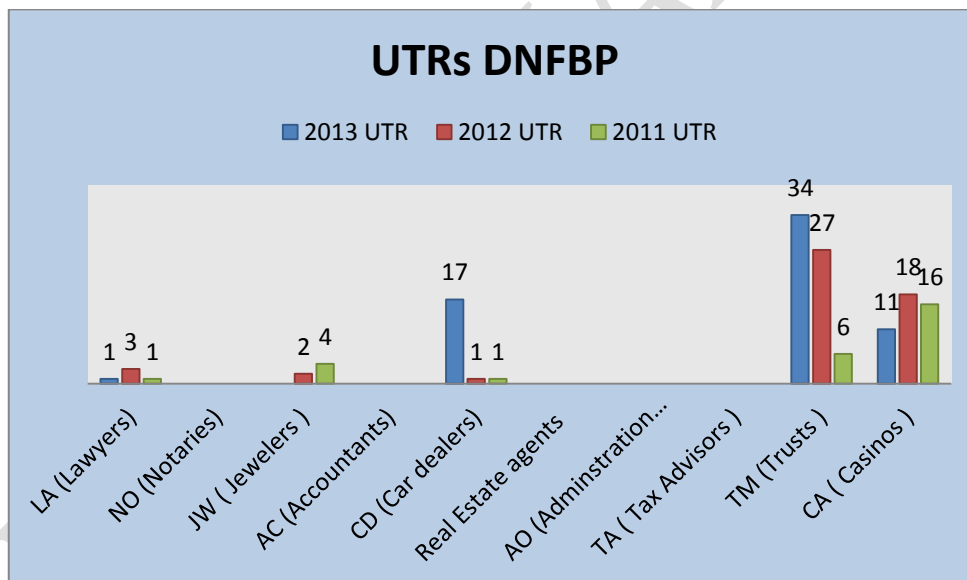


Figure 13. UTRs DNFBP

3.4.1. Trust Companies

During this reporting period 34 reports of unusual transactions have been received from the Trust sector of Sint Maarten. An increase of 7 reports compared to last year.

Number of UTRs reports

| Year | UTRs Trust Companies | ANG |
|-----------|----------------------|--------------|
| 2013 | 34 | 2,646,735.00 |
| 2012 | 27 | 5,240,773.00 |
| 2011/2010 | 6 | 2,578,553.00 |

Table 10. UTRs Trust Companies

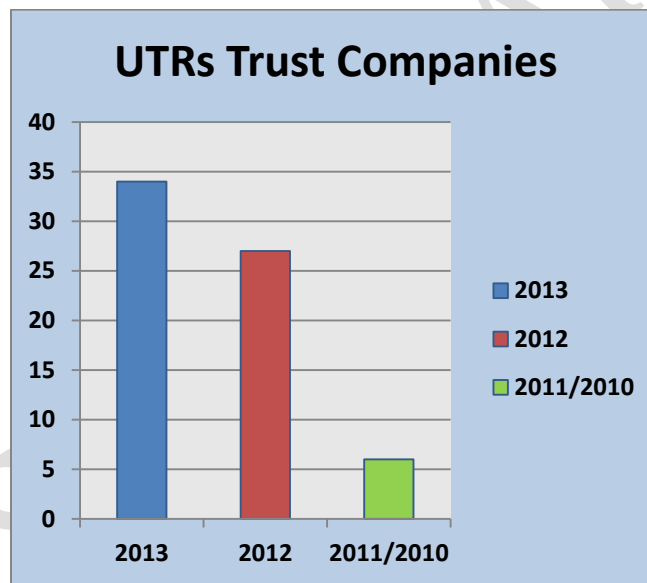


Figure 14. UTRs of Trust Companies

3.4.2. Casinos

The casino sector reported 11 transactions as unusual transactions with a value of ANG. 743,745.00 to the FIU during this reporting period. This is a decrease in reports, compared to 18 reports sent in the previous reporting period. These 11 reports originated from one casino. There are 14 casinos (stand alone and hotel based) in Sint Maarten.

Number of UTRs reports

| Year | UTRs Casinos | ANG |
|-----------|--------------|--------------|
| 2013 | 11 | 743,745.00 |
| 2012 | 18 | 1,082,388.00 |
| 2011/2010 | 16 | 1,351,272.00 |

Table 11. UTRs Casinos

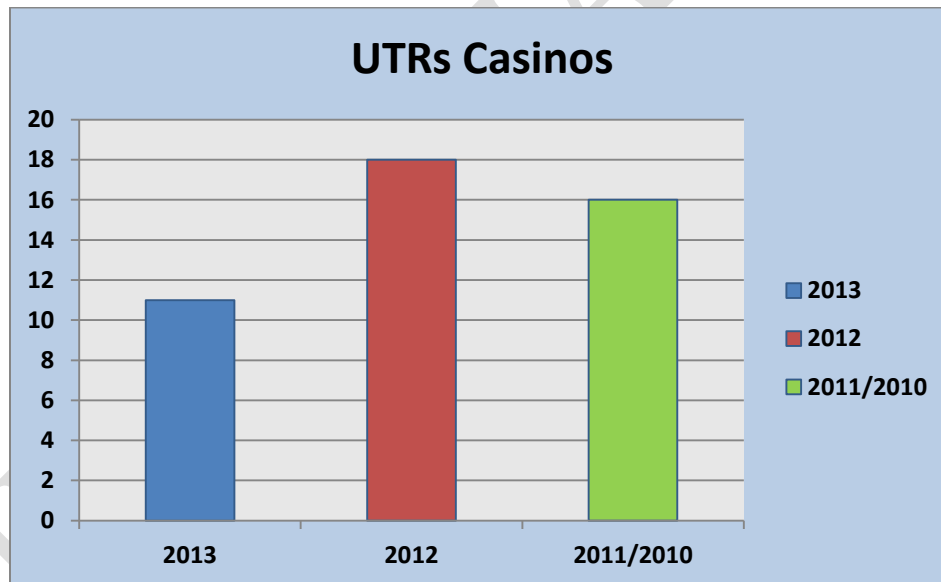


Figure 15. UTRs of Casinos

3.4.3 Customs

In 2013 Customs forwarded 129 reports of persons travelling with an amount equal to or more than ANG. 20,000. This is a decrease from last year when 483 reports were sent to the FIU by Customs. A decrease of 73.29%. This huge decrease in reports sent by Customs can be attributed to problems with the Customs Kiosk which was launched in 2012. The Kiosk made it possible for travelers to declare their money via a pc terminal, instead of manually completing the forms. The FIU will organize meetings with Customs in order to determine the exact cause of the above-mentioned decrease in reports.

Number of UTRs reports

| Year | UTRs reports | ANG |
|-----------|--------------|----------------|
| 2013 | 129 | 143,715,291.00 |
| 2012 | 483 | 466,921,989.00 |
| 2011/2010 | 573 | 645,328,493.00 |

Table 12. UTRs Customs

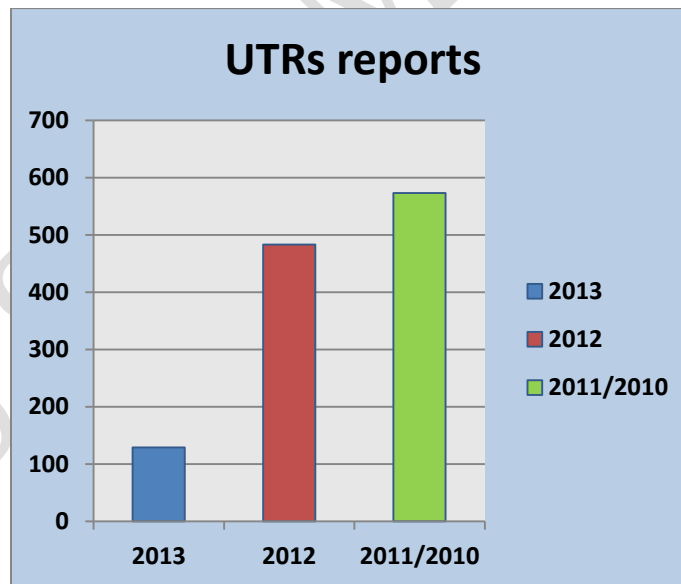


Figure 16. UTRs on Customs

3.5. Feedback to Reporting Entities

The FIU gives feedback to all reporting entities that have sent reports of unusual transactions to the FIU. This feedback can be categorized in the following areas:

- Feedback with regard to compliance with the correct way of reporting. The FIU assists the reporting entities in improving the quality of their submitted reports and at the same time their compliance with their regulatory obligations. The reporting entities are notified if their submitted reports include deficiencies which need to be corrected. After the necessary corrections have been executed, the respective reporting entity will receive a confirmation letter indicating that their submitted reports were received by the FIU.
- Feedback by making available its annual reports with statistics and ML/TF cases and Typologies
- Feedback by organizing informative sessions for the reporting entities.
- Feedback with regard to transactions which have been disseminated to the PPO.
- Feedback to reporting entities also include notification of important events on the website of the FIU.

In the reporting period under review, all reporting entities received their letters of confirmation regarding their submitted reports. With regard to deficiencies in the submitted reports, letters requesting the reports to be corrected were sent to the reporting entities.

During this reporting period, 2068 transactions, with a value of ANG. 573,864,729.00 were disseminated to the PPO. The respective reporting entities were also given feedback and informed of this fact.

3.6. Article 12 Requests for Additional Information

Pursuant to article 12 of the NORUT all reporting entities are obliged to furnish additional information upon request of the FIU.

This article makes it possible for the FIU to request further information or data from the reporting entities who have made a report, in order to assess whether data or information collected by the FIU is of interest for the performance of its duties with regard to the dissemination of information to the PPO and/or other FIUs.

The reporting entity which has received a request for additional information from the FIU is required by law to provide these to the FIU, in writing or orally - in cases considered urgent in the opinion of the FIU – within the time period indicated by the FIU.

In the year 2013 a number of 62 requests for additional information were sent to reporting entities. Most requests were sent to the banks, followed by: lawyers and the money remitting sector.

| <u>Sector</u> | 2013 | 2012 | 2011 / 2010 |
|--------------------------|-----------|-----------|-------------|
| LA (Lawyers) | 1 | | 1 |
| Banks | 54 | 38 | 1 |
| JW (Jewelers) | | 1 | 1 |
| CU (Customs) | | | 1 |
| CD (Car dealers) | | | 1 |
| Real Estate agents | | | |
| Money-Remitters | 7 | 10 | 4 |
| Life Insurance Companies | | | 2 |
| TM (Trusts) | | 1 | |
| CA (Casinos) | | | 1 |
| Total all sectors | 62 | 50 | 12 |

Table 13. Art 12 Requests to the respective sectors

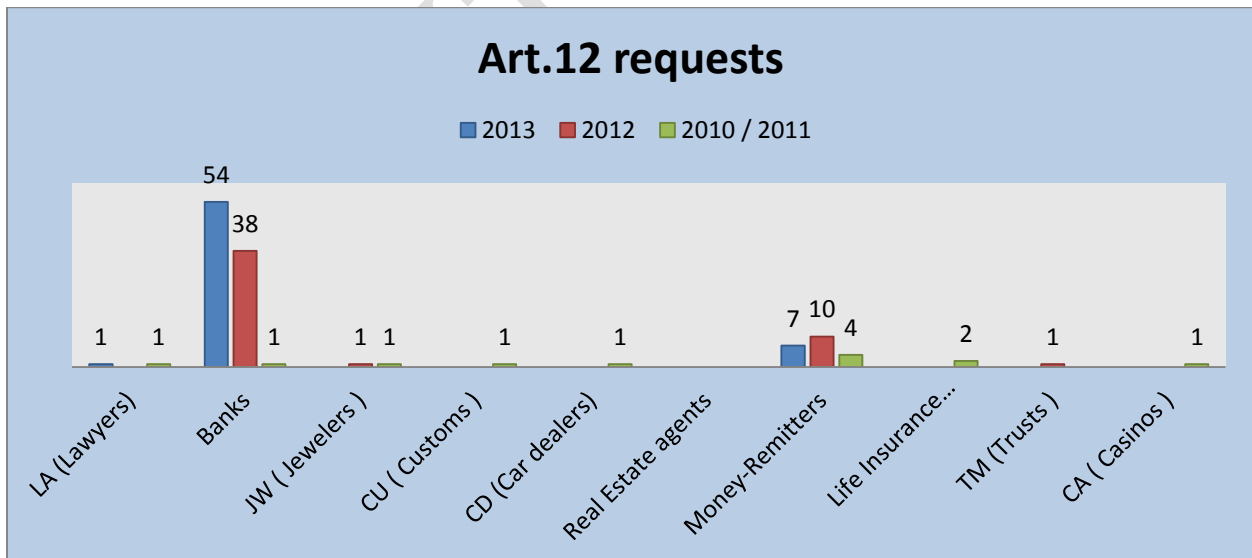


Figure 17. Art12 Requests to the respective sectors

4. ANALYSIS OF UNUSUAL TRANSACTIONS RECEIVED

The Analyst department of FIU Sint Maarten in 2012 comprised 2 tactical and operational analysts responsible for registering, processing and analyzing the information received, either through unusual transaction reports made by the reporting entities subject to the NORUT, or through information sharing with other national supervisory authorities or foreign counterpart FIUs.

4.1. Receipt of UTRs

Last year, in 2012, the FIU launched the SERT (Sint Maarten Electronic Reporting Tool) Portal. The SERT Portal is a web application which allows users (the reporting entities) to easily and securely report unusual transactions via a regular web browser with an internet connection.

All reporting entities are required to register with the FIU; their business and the person or persons responsible for reporting to the FIU. Upon receipt of the respective form, unique login credentials are created for the reporting/compliance officer(s) at the reporting entity.

The reporting entities report through SERT Portal and receive a letter of confirmation (feedback) that the specific transactions were received by the FIU.

SERT Portal is highly secured. The portal utilizes a two factor authentication with Virtual Tokens and the transmission is protected through an encrypted certificate. If reports are sent manually, these have to be delivered in person to the FIU.

4.1.1. Analysis

The FIU received 7169 reports of unusual transactions in 2013. All reports received are checked to verify whether the report has been correctly completed. If that is the case the FIU forwards a letter of confirmation to the respective reporting entity.

If a report was not completed correctly, the analysts contact the respective compliance officer to correct the report.

Analysis of these transactions take place among other by reviewing the so called “alerts” which are sent out daily by the reporting system, by reviewing reports based on subjective indicators, based on information received from LEA and/or the PPO, from information received from foreign FIUs and via own investigations of the FIU, making use of queries into the database where certain terms such as money laundering, terrorism financing, criminal, fraud, corruption, etc. are used.

4.2. Methods and Trends (Typologies)

The method and trend analysis is based firstly on the transactions disseminated to the judicial authorities in this reporting year and secondly on the receipt of suspicious transactions reports from the reporting entities. After analysis these transactions gave rise to suspicion of money laundering/terrorism financing. This is a prerequisite for disseminating transactions to the PPO and/or LEA.

In 2013 a number of 2068 of the afore-mentioned suspicious transactions were disseminated to the PPO. Review of these disseminated transactions shows that the methods used for possible money laundering included: tax evasion, trade based money laundering by making use of shell companies, human trafficking and drugs trade. The reports on suspicious transactions received (suspicious transactions are transactions reported by use of the indicator: reasonable suspicion of money laundering/terrorism financing) gave the following overview in typologies:

A trend identified the potential laundering of money by making use of the Bank sector, via bank deposits, deposits on credit cards and wire transfers:

As was the case in 2012, this year another trend identified is the potential money laundering by making use of the money remitting sector, via: smurfing or structuring of amounts; via use of laymen to send money and the sending of money while the amount does not coincide with the profile of the sender.

4.3 Own Investigations

The trend analysis is based on the files reported to the judicial authorities in 2013. In this reporting year the analyst department of the FIU executed 23 own investigations into money laundering/terrorism financing. Of these investigations 13 investigations resulted in a suspicion of money laundering/terrorism financing for the FIU and were disseminated to the PPO. A number of 739 transactions were involved in these investigations while the amount involved was ANG. 152,456,000.00. The following paragraph will contain some of the cases the FIU worked on in 2013.

4.4 Cases

Case 1: The dream boat

A bank reports subject X to the FIU, for having executed a suspicious transaction. Analyses by the FIU then shows the subject to be of American citizenship who in December 2012 opened a dollar account in name of a legal corporation, Y, based in St. Croix. In accordance with its Articles of Incorporation, the corporation is active in the real estate sector.

In March 2013 an amount of USD 400,000.00 is wire transferred from the USA to the account of the corporation. Some days afterwards, X requests the bank issue him a bearer cheque for the amount of USD 395,000.00. As reason for this cheque he indicates to the bank that he intends to buy a luxury boat and that he needed the bearer cheque to show as a guarantee to the buyer as having the necessary funds to purchase the boat. He also wants to register the boat with corporation Y. Then he informs his account manager “spontaneously”, that he wants to register the boat as belonging to Corporation Y. And that he will give back the cheque to the bank after the deal. Corporation Y has been incorporated almost a year ago.

Typologies:

- **Potential money laundering by use of a shell company.**
- **Potential money laundering via bank making use of wire transfers and bearer cheques.**
- **Potential money laundering by transferring money on dormant account**
- **Potential money laundering by making use of company for other motives than given upon incorporation.**

Red flags indicators:

- Short time periods between opening bank account, wire transferring the money, drawing the cheque and depositing back the amount of money.
- Purchase of boat in name of real estate corporation.
- No source of funds given for purchase of boat eventually.

Case 2: The intended gifts

Mrs. X, a French national, living in France and visiting French Saint Martin, enters the bank to execute a transaction. She is accompanied by two persons.

She wants to buy some presents for her clients in France. These presents consist of 100 chargeable credit cards with a value of USD 500.00. Mrs. X intends to pay USD 50,000 in cash for the presents. She is carrying that amount with her in an attaché case. Mrs. X informs the bank that her company deals in real estate. Unfortunately, she cannot remember the name of his company. She then requests one of her accompanying friends to

help her with the name. This person also cannot remember her companies' name. She then informs the bank that she preferred buying the chargeable credit cards in Dutch Sint Maarten, because in France these types of credit cards have a chip. While this was not the case in Dutch Sint Maarten. The bank then decides not to continue with the transaction and reports to the FIU.

Typologies:

- **Potential money laundering by making use of chargeable credit cards sold by bank**
- **Potential money laundering by use of shell company**
- **Potential money laundering making use of laymen**

Red flag indicators:

- French national visiting French Saint Martin and buying chargeable credit card in Dutch Sint Maarten.
- Owner of a company who does not remember company's name.
- Accompanying friends also not aware of company's name
- Preference to buy chargeable credit card with no chip for "100 friends" in France

Case 3: Jackpot!

X, residing in French Saint Martin, wants to buy a car and enters a dealer on the Dutch side of Sint Maarten. The price of the car is USD 38,500

X wants to pay in cash. As source of fund he indicates that he played in a casino and they gave him the money in cash. Upon request, he gave the name of a casino. After closing the deal, he pays with 400 bills of USD 100.

Analyses by the FIU showed that the respective casino had no payouts to the amount of USD 40,000 and that winnings of more than 2500. = are paid out by cheque or wire transfer. Also Mr. X was not known to the casino in question.

Typologies:

- **Potential money laundering by use of car dealer**

Red flag indicators:

- Car purchased with 400 bills of 100 dollars
- Source of funds turned out to be invented

Case 4: to lie and not to lie....that is the question...

Upon review of newspapers an analyst of the FIU notices an article regarding someone, X, who had been arrested for car theft and illegal prostitution.

Further analyses in the database of the FIU indicated many deposits of money, whereby it was indicated by the reporting bank that the transactions were a-typical of X. There were also several money transfers to other countries. As source of funds, X always indicated a business, without specifying what business. He also referred to projects done for the government for which he was now receiving late payments.

The FIU sent requests for information to Colombia, Belgium and Curacao. The FIU also requested the respective foreign FIU to check with their Law Enforcement Agencies whether X was known to them.

The information the FIU received indicated that X had links with certain criminal elements in two of the requested countries.

Typologies:

- **Potential money laundering by making use of bank system.**
- **Potential money laundering by use of non-existent business to launder money**

Red flag indicators:

- Source of funds doubtful
- Contacts with criminal element in other countries
- Transactions a-typical of client
- Arrested for criminal offenses

Case 5: A case of multiple identities

The FIU received a report from a money remitting company with regard to a client X executing money transfers whereby client presumably was making use of false identification documents and passports issued by a South American country.

Analyses in the database of the FIU indicated that X was involved in many money transactions to and from South American countries.

Further analyses and information requests indicated that X was using several passports with different dates of birth and even one where she appears as a man.

The FIU requested further information from the South American country that issued the passports.

X was involved in many transactions that were being structured: all amounts remained below the reporting threshold.

Many transactions were from the South American country from approximately 30 senders. One of these senders used a passport which had the same number of a passport that was also used by X.

The 30 persons also sent money to X in four other countries. X used to travel extensively in the region and to collect the monies sent to her. X indicated that the monies came from persons who she cured from cancer.

In a period of 6 months, X collected a total of USD 300,000.

Typologies:

- **Potential money laundering by making use of money remitting company**
- **Potential money laundering by acting as a healer of sickness**
- **Potential money laundering using false passports**

Red flag indicators:

- The use of false passports and ID documents.
- Structuring amounts sent and received

NOTE: The above-mentioned cases have been duly sanitized.

5. DISSEMINATION OF INFORMATION TO THE PPO AND NATIONAL AND INTERNATIONAL REQUESTS FOR INFORMATION.

One of the objectives of the analysis of the unusual transactions received by the FIU is to reach a conclusion of whether the analysis leads to a reasonable suspicion of ML/TF. After reaching that conclusion, these then suspicious transactions are disseminated to the PPO. The suspicious transactions of the different reporting entities altogether that were disseminated to the PPO are indicated in the following table.

The PPO is at the head of all criminal investigations. That is why it was agreed with the PPO that the requests for information from the different law enforcement agencies, are sent to the FIU, via the PPO.

Of the 7169 transactions received by the FIU in this reporting year; of these transactions, 2068 transactions were disseminated to the PPO. Of the DNFBP sector 3 transactions were disseminated to the PPO.

Total unusual transactions vs suspicious transactions

| Year | UTR per year | STR per year | Value UTR ANG | Value STR ANG |
|-------------|--------------|--------------|------------------|----------------|
| 2013 | 7169 | 2068 | 573,864,729.00 | 239,183,741.00 |
| 2012 | 9775 | 3949 | 1,071,403,149.00 | 424,867,287.00 |
| 2011 / 2010 | 8010 | 1447 | 1,193,732,725.00 | 142,192,124.00 |

Table 14. UTRs vs. STRs

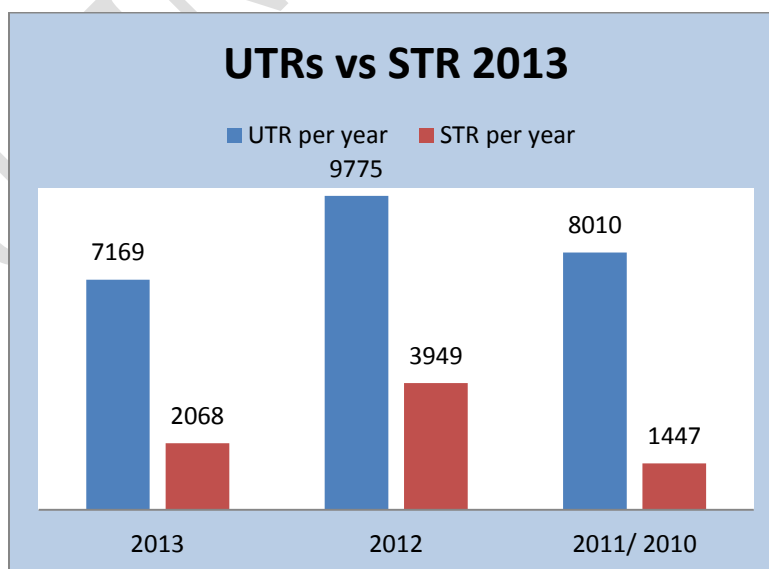


Figure 18. UTRs vs. STRs per Actions taken of UTRs

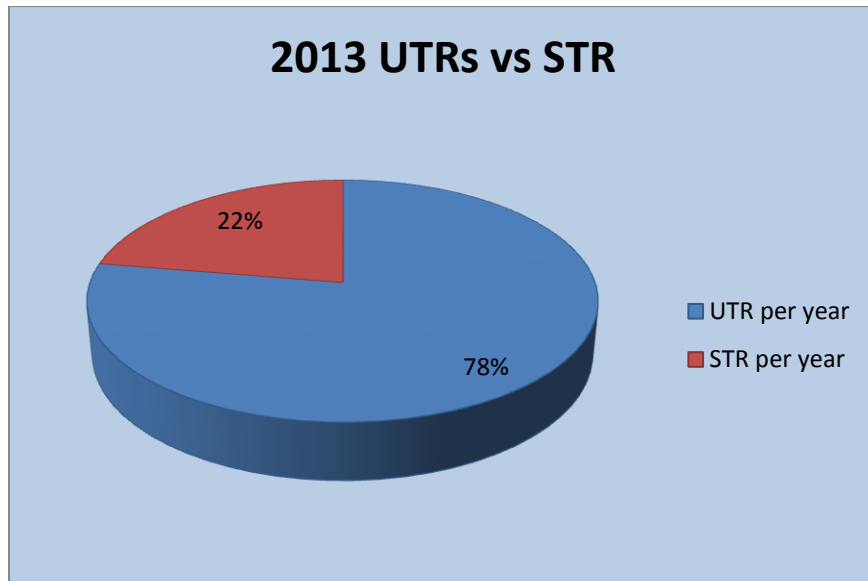


Figure 19. UTRs vs. STRs

Unusual transactions vs suspicious transactions DNFBP

| Year | UTR per year | STR per year | Value UTR ANG | Value STR ANG |
|-------------|--------------|--------------|---------------|---------------|
| 2013 | 63 | 3 | 5,914,705.00 | 169,700.00 |
| 2012 | 51 | 27 | 7,152,466.00 | 1,895,770.00 |
| 2011 / 2010 | 28 | 0 | 4,899,177.00 | - |

Table 15. Unusual versus suspicious transactions

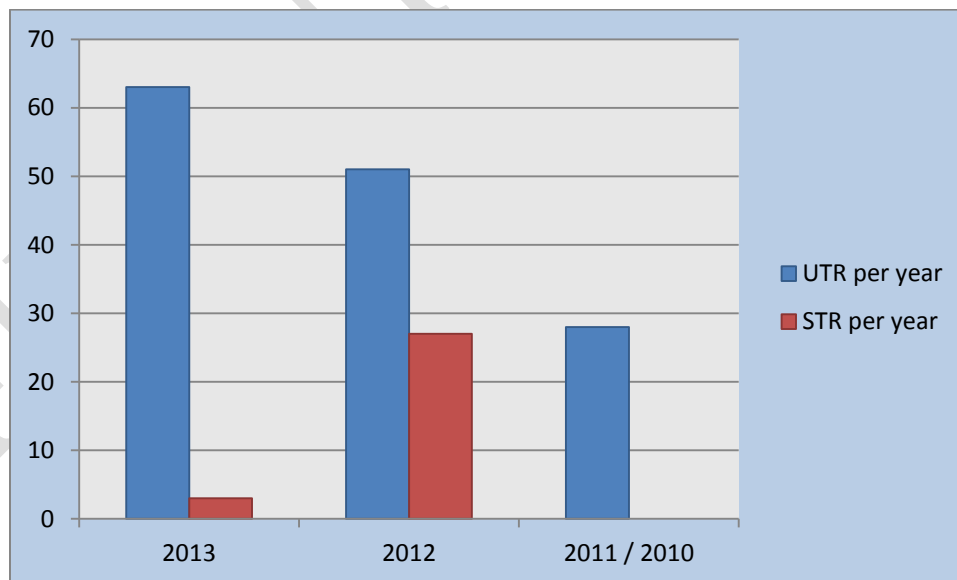


Figure 20. Unusual versus suspicious transactions

5.1 National Requests for Information

Dissemination of information by the FIU takes place based on requests received from LEA (by way of the PPO); from non LEA; based on own investigations; based on update-disseminations (when certain transactions have previously been disseminated) and when a foreign FIU requests the FIU authorization to furnish the data received to their public prosecutor and/or law enforcement agencies.

During this reporting period the FIU received 18 requests for information pursuant to articles 6 and 7 NORUT. These requests regarded 1329 transactions with a value of ANG. 86,448,129.00.

Art.6 and 7 NORUT requests from LEA and non LEA

Sector

| | 2013 Req | UTRs | UTRs in ANG | 2012 Req | UTRs | UTRs in ANG | 2011 Req | UTRs | UTRs in ANG |
|--------------------------|-------------|-------------|----------------------|-------------|------------|---------------------|-------------|-------------|-----------------------|
| Tax Office | 0 | 0 | - | 1 | 51 | 1,982,968.00 | 0 | 0 | - |
| KPSXM | 5 | 30 | 463,073.00 | 6 | 62 | 463,073.00 | 1 | 108 | 55,898,503.00 |
| RST | 1 | 25 | 870,526.00 | 1 | 30 | 285,628.00 | 8 | 1339 | 86293621 |
| OM | 1 | 0 | - | 2 | | | 0 | 0 | - |
| Landsrecherche | 5 | 64 | 1,081,180.00 | 0 | 0 | - | 0 | 0 | - |
| VDSXM | 6 | 1210 | 84,033,350.00 | 4 | 272 | 5,143,302.00 | 0 | 0 | - |
| Total all sectors | 18 | 1329 | 86,448,129.00 | 14 | 415 | 7,874,971.00 | 9 | 1447 | 142,192,124.00 |

Table 16. Requests from LEA and non LEA

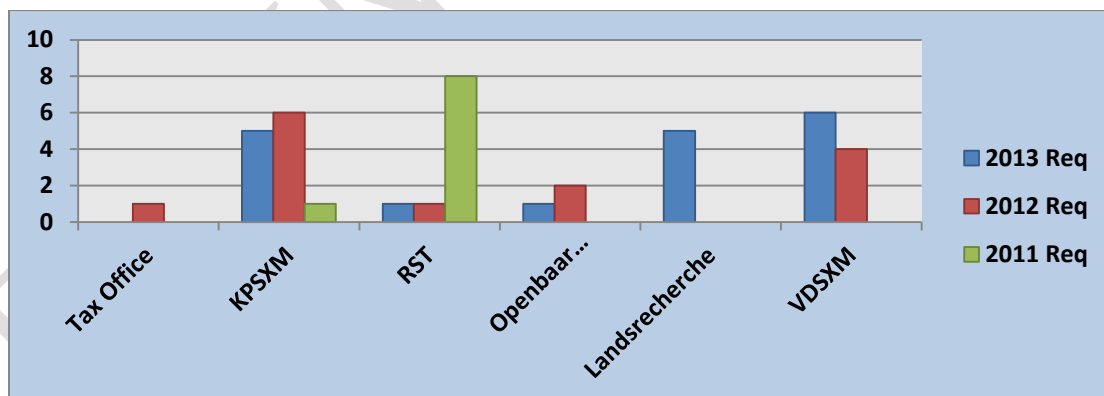


Figure 21. Requests from LEA and non LEA

5.2 International Requests to and from other countries

5.2.1. MOUs



Pursuant to the second paragraph of article 7 of the NORUT, the provision of data to authorities outside the Kingdom shall take place only on the basis of a treaty or administrative agreement, unless it is an authority recognized by the Egmont Group as a member and which, pursuant to its national legislation, is not required to conclude a written agreement for the exchange of data with other authorities recognized by the

Egmont Group as members.

This year FIU Sint Maarten signed MOUs with 11 international FIUs.



MOUs were signed with the FIUs of: Aruba, Barbados, Curacao, Grenadines, British Virgin Islands, Dominica, Dominican Republic, Guyana, Jamaica, Trinidad & Tobago and Turks & Caicos.

5.2.2. International exchange of information

Nine (9) requests for information were received pursuant to article 7 NORUT from other Egmont FIUs and FIU Sint Maarten sent out 8 requests for information to other FIUs. The reactions from the FIUs which were requested information, regarded information on the subjects and their business. FIU Sint Maarten did not receive transactions in these reactions.

Incoming Art.7 NORUT Requests from other FIUs 2013

| <i>Country</i> | Requests | UTRs | UTRs in ANG |
|--------------------------|----------|------------|----------------------|
| Anguilla | 3 | 0 | - |
| Argentine | 1 | 0 | - |
| Curacao | 3 | 87 | 80,942,805.00 |
| Grenada | 1 | 18 | 158,181.00 |
| U.S.A. | 1 | 338 | 17,318,638.00 |
| Total all sectors | 9 | 443 | 98,419,624.00 |

Table 17. Incoming international requests for info.

Outgoing Art.7 Requests to other FIUs 2013

| <i>Country</i> | Requests | UTRs | UTRs in ANG |
|--------------------------|----------|------|-------------|
| Anguilla | 3 | | |
| Curacao | 2 | | |
| Netherlands | 1 | | |
| Nigeria | 1 | | |
| St.Kitts&Nevis | 1 | | |
| Total all sectors | 8 | | |

Table 18. Outgoing international requests

5.3 The Processing of UTRs and STRs

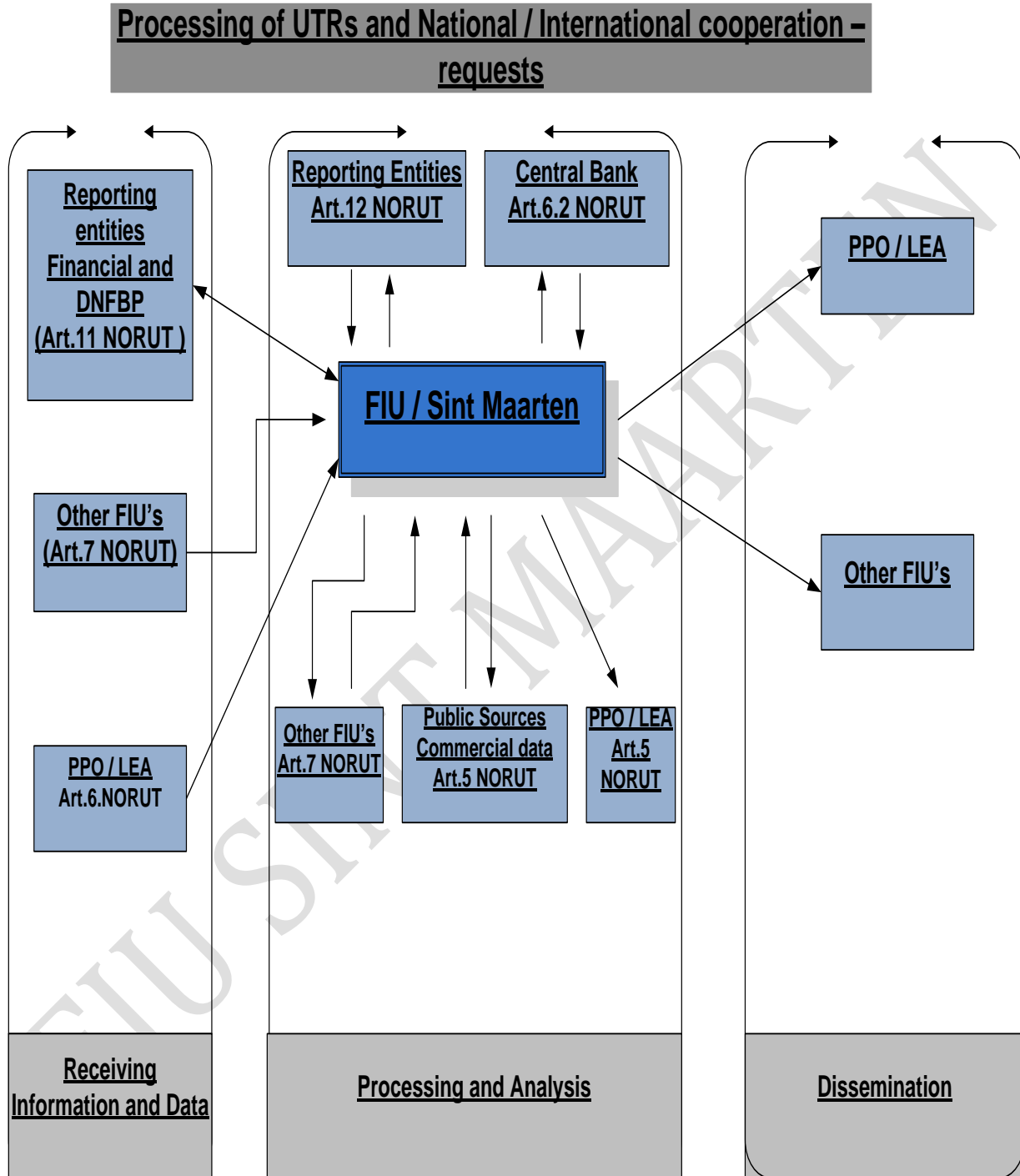


Figure 22. Processing, Analysis, and Dissemination of UTRs

6. NATIONAL COOPERATION

It is very important for the FIU to have an efficient cooperation with all the actors in the reporting chain. Good communication, cooperation and an expeditious exchange of information within the reporting chain are very essential. A good interaction between the FIU, the reporting entities, the law enforcement agencies, the office of the Public Prosecutor and supervisory authorities are imperative conditions in the fight against money laundering and terrorism financing.

6.1. Reporting Entities

The FIU of Sint Maarten organized 4 informative sessions for the financial sector of Sint Maarten. In these sessions, the following topics were dealt with: the anti-money laundering and anti-terrorism financing legislation, the obligations of the reporting entities, the work of the FIU, how to report, indicators, PEPS, secrecy clauses, tipping off prohibition, penalties upon violation of the relevant laws.

6.2. Law Enforcement Agencies and the PPO

In this reporting period the FIU continued its monthly meetings with the Minister of Justice, the PPO, the Advocate General and the Prosecutor General in tri-partite meetings to discuss the evaluation by CFATF and the follow up actions and law enforcement issues in general.

6.3. National Advisory Committee

There were monthly meetings of the FIU with the National Advisory Committee on AML/CTF. These meetings were attended by the PPO, the Solicitor General, Customs, LEA, the Central Bank, the Bankers' Association, Tax Department, Chamber of Commerce, the Secretary General of Justice and Economic Affairs.

6.4. Meetings with the Minister of Justice

The Minister of Justice is the directly responsible minister for the FIU. During this reporting period the weekly meetings with the Minister of Justice centered around the CFATF evaluation and organizational matters of the FIU. Especially with regard to the finalization of the establishment of the FIU, its housing and security issues.

6.5. Consultations with the Central Bank

The Central Bank met with the FIU on several occasions with regard to the reporting behavior of certain reporting sectors.

7. INTERNATIONAL COOPERATION

Money laundering and terrorism and the financing thereof are global in nature, and as such international cooperation constitutes an essential component in the fight against these criminal activities.

7.1. International Exchange of Information

Pursuant to Article 7 of the NORUT the international exchange of information shall only take place on the strength of a treaty or an administrative agreement, e.g. a memorandum of understanding (MoU).

When it regards an FIU recognized by the Egmont Group as a member, information exchange can take place without an MOU if the national legislation of the other FIU does not require an MOU.

In this reporting period a total of 11 MOUs were signed. The following FIUs signed an MOU with FIU Sint Maarten: Aruba, Barbados, Curacao, St. Vincent and the Grenadines, British Virgin Islands, Dominica, the Dominican Republic, Guyana, Jamaica, Trinidad & Tobago and Turks and Caicos.



In 2013 FIU Sint Maarten received 9 requests for information from the FIUs Anguilla, Argentine, Curacao, Grenada and the United States of America (USA). The requests for information regarded frequent money transfers via a money remitter and money transactions whereby the subjects tried to obscure the origin or

source of the monies. With regard to these 9 requests, 443 transactions representing a value of ANG. 98,419,624.00 were disseminated to the requesting FIUs.

The FIU in its turn, sent out 8 requests for information to the FIUs of Anguilla, Curacao, Aruba, the Netherlands, Nigeria and St. Kitts&Nevis.

The information exchanged can only be used for intelligence purposes by the foreign FIU. For other uses the requesting FIU needs the authorization of the requested FIU and in cases involving judicial matters a so called MLAT (Mutual Legal Assistance Treaty) procedure - involving the PPO and judiciary of the respective countries - needs to be started.

7.2. Cooperation in The Kingdom

This Reporting year the FIU was assisted by an IT consultant of the Government of Curacao to assist with the upgrading of the reporting system.

The Head of FIU of Sint Maarten attended a presentation regarding the uses of the database of FIU Aruba.

The Head of FIU Curacao and a senior legal advisor visited FIU Sint Maarten with regard to assisting FIU Sint Maarten with advise on organizational matters, the finalization of the transfer of documents and files and the signing of an MOU between the two FIUs.



7.3. Caribbean Financial Action Task Force (CFATF)

The Caribbean Financial Action Task Force (CFATF) is an organization of twenty-seven states of the Caribbean Basin, which have agreed to implement common countermeasures to address the problem of criminal money laundering. It was established as the result of meetings convened in Aruba in May 1990 and Jamaica in November 1992.

The main objective of the Caribbean Financial Action Task Force is to achieve effective implementation of and compliance with its recommendations to prevent and control money laundering and to combat the financing of terrorism. The Secretariat has been established as a mechanism to monitor and encourage progress to ensure full implementation of the Kingston Ministerial Declaration.

Currently, CFATF Members are: Antigua & Barbuda, Anguilla, Aruba, The Bahamas, Barbados, Belize, Bermuda, The British Virgin Islands, The Cayman Islands, Curacao, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Republic of Haiti, Jamaica, Montserrat, St. Kitts & Nevis, St. Lucia, St. Maarten, St. Vincent & The Grenadines, Suriname, The Turks & Caicos Islands, Trinidad & Tobago, and Venezuela.

In 2013 FIU Sint Maarten attended the 37th Plenary meeting of the CFATF in Managua, Nicaragua and together with the Minister of Justice, the Ministerial meeting of CFATF in Miami.

7.4. The Egmont Group

Because of the importance of international cooperation in the fight against money laundering and financing of terrorism, a group of Financial Intelligence Units (FIUs) met in 1995 at the Egmont Arenberg Palace in Brussels, Belgium, and decided to establish an informal network of FIUs for the stimulation of international co-operation. This group is now known as the Egmont Group of Financial Intelligence Units. The Egmont Group FIUs meet regularly to find ways to promote the development of FIUs and to cooperate, especially in the areas of information exchange, training and the sharing of expertise.

The goal of the Egmont Group is to provide a platform for FIUs around the world to improve cooperation in the fight against money laundering and the financing of terrorism and to promote the implementation of domestic programs in this field. This support includes among other things:

- Expanding and systematizing international cooperation in the reciprocal exchange of information;
- increasing the effectiveness of FIUs by offering training and promoting personnel exchanges to improve the expertise and capabilities of personnel employed by FIUs;
- better and secure communication among FIUs through the application of technology, such as the Egmont Secure Web (ESW); and
- promoting the operational autonomy of FIUs.³

³ www.egmontgroup.org

In 2013 Sint Maarten continued with the procedure to become a member of the Egmont Group of Financial Intelligence Units, which was started the previous year by having frequent contact via email and telephone with the FIU of Aruba and the FIU of the British Virgin Islands, who offered to act as the sponsors for Sint Maarten. Sponsorship entails that the mentioned FIUs give FIU Sint Maarten guidance with regard to the prerequisites to become an Egmont Group member. Advice with regard to the anti-money laundering and counter terrorism financing legislation and the effective functioning of the FIU. In the membership procedure Sint Maarten's AML/CTF legislation and the functioning of the FIU need to be approved by the Legal Working Group and the Outreach Working Group of the Egmont Group. After the approval of these working groups has been obtained, the Plenary Meeting of the Heads of FIUs of the Egmont Group then formally decides on the membership of the FIU of Sint Maarten.

FIU SINT MAARTEN

PRIORITIES FOR THE YEAR 2014

- Working on and monitoring of the follow up actions with regard to the evaluation report of the CFATF.
- Starting up of the Supervision department, establishing Provisions and Guidelines for the DNFBP, organizing Management meetings with DNFBP.
- Arrange technical assistance with regard to training for the Analytical and Supervision Department.
- Organize informative sessions for the DNFBP and the Financial Sector.
- Inform the general public of the work of the FIU.
- Continue to meet with LEA and PPO with regard to feedback regarding disseminated transactions by the FIU.
- Finalize the membership of FIU Sint Maarten in the Egmont Group.
- Monitor the approval by Parliament of the Criminal Code of Sint Maarten in which Terrorism Financing is criminalized.

ANNEX 1 NORUT

Overview of amendments incorporated in the text

| Date of entry into force | With retroactive effect until | Date when effect ceases | Concerning | Date signed | Source in which published | Reference of proposal |
|--------------------------|-------------------------------|-------------------------|---|-------------|---------------------------|-----------------------|
| 04/09/2014 | | | Article 1, Article 2, Article 3, Article 4, Article 5, Article 6, Article 8, Article 9, Article 10, Article 12, Article 13, Article 14, Article 15, Article 22h, Article 24, Chapter IV, Chapter VI | 23/07/2014 | Unknown | AB 2014, GT no. 51 |
| 10/10/2010 | | 04/09/2014 | consolidated text (GT) | 19/04/2013 | Unknown | AB 2013, GT no. 479 |

Text of the regulation

Official title

National Ordinance Reporting Unusual Transactions in Financial Services

Chapter I

General provisions

Article 1

- 1. In this national ordinance and the provisions based on it, the following terms are defined as follows:
 - a. service: to do the following, in or from Sint Maarten:

1° receive securities, bank notes, coins, government notes, precious metals or other assets for safekeeping;

2° open an account in which a balance in cash, securities, precious metals or other assets can be kept;

3° lease of a safe-deposit box;

4° make a payment in relation to the cashing of coupons or similar documents for bonds or similar valuable papers;

5° conclude an insurance contract as referred to in Article 1 (1) (a) of the National Ordinance on Supervision of the Insurance Industry, as well as broker such a transaction;

6° make a payment under an insurance contract as referred to in 5°;

7° credit or debit or cause the credit or debit of an account in which a balance in cash, securities, precious metals or other assets can be kept;

8° change guilders or foreign currency;

9° enter into an obligation to make payment, for the benefit of the holder of a credit card, to the party that has accepted the showing of that credit card by way of payment, to the extent this does not involve a credit card which can only be used at the company or institution which issues this credit card or at a company or institution that belongs to the same economic entity in which the legal entities and companies are organisationally affiliated;

10° receive, in the context of a money transfer, funds or monetary instruments in order to make these funds or monetary instruments payable elsewhere, whether or not in the same form, or cause these to be made payable elsewhere, or, in the context of a monetary transfer, pay or make payable funds or monetary instruments after these funds or monetary instruments have been made available elsewhere, whether or not in the same form;

11° offer prizes and premiums which can be competed for in exchange for payment of a value which amounts to more than a sum to be stipulated by the Minister of Finance, in the context of:

- a.

the operation of games of chance, casinos and lotteries;

- b.

the operation of offshore games of chance;

12° act as intermediary in relation to the purchase or sale of immoveable property and rights to which immoveable property are subjected;

13° trade in vehicles, precious stones, precious metals, jewels or other items of great value designated by national decree containing general measures, or broker the trade in such items, in excess of an amount to be stipulated by the Minister of Finance, which amount can differ for the different types of items;

14° grant fiduciary services including: provision of management services, in exchange for payment or otherwise, in or from Sint Maarten for and for the benefit of offshore companies, which in any event includes:

- a.

making natural persons or legal entities available to offshore companies to serve as director, representative, administrator or other officer;

- b.

granting domicile and office facilities for offshore companies;

- c.

establishing or liquidating offshore companies or causing their establishment or liquidation on the instructions of but for the account of third parties;

15° the provision of advice or assistance by the natural person, legal entity or company who independently performs professional activities or activities in a commercial capacity as lawyer, civil-law notary or junior civil-law notary, accountant, tax adviser or expert in a legal, fiscal or administrative area, or in the practice of a similar legal profession or business, in relation to:

- a.

the purchase or sale of immovable property;

- b.

the management of cash, securities, coins, government notes, precious metals, precious stones or other assets;

- c.

the establishment or management of companies, legal entities or similar bodies;

- d.

the purchase or sale or taking over of businesses;

16° provide other services designated by national decree containing general measures;

- b.

client: the natural person or legal entity to which or for the benefit of which a service is provided, as well as, in the event of a service as referred to in the first sub section, part a, in 5° and 6°, the natural person or legal entity that pays the premium as well as the natural person or legal entity for whose benefit the payment is paid out;

- c.

transaction: an action or set of actions by or for a client in connection with the purchase of one or more services;

o d.

unusual transaction: a transaction that is designated as such with reference to the indicators specified pursuant to Article 10;

o e.

disclosure: a disclosure as referred to in Article 11;

o f.

Bank: the Central Bank of Curacao and Sint Maarten;

o g.

Office: the Office referred to in Article 2;

o h.

Regulator: the Bank, the supervisory bodies set up for this, as well as the Office, each as it regards the service providers subject to its supervision, according to the distinction made in Article 22h (1);

o i.

money laundering: an act made punishable in Title XXXA of the Second Book of the Criminal Code;

o j.

financing of terrorism: an act as described in Article 2 of the International Convention for the Suppression of the Financing of Terrorism established in New York on 9 December 1999 (Treaty Series 2000, 12), committed by a natural person, legal entity or company, or by or for the benefit of, or in connection with an organisation, institution, business, person or group of people or population groups;

o k.

the minister: the Minister of Justice.

- 2. In relation to actions as referred to in the first sub section, part a, in 10°, the following are not designated as services:

o a.

receiving, in the context of a premium payment under an insurance contract, funds or monetary instruments in order to make these funds or monetary instruments payable elsewhere - whether or not in the same form - or causing these to be made payable elsewhere, to an institution to which it is permitted to operate insurance business in Sint Maarten on grounds of the National Ordinance on Supervision of the Insurance Industry;

◦ b.

paying or making payable, in the context of a payment under an insurance contract, funds or monetary instruments, after these funds or monetary instruments have been made available elsewhere - whether or not in the same form - by an institution to which it is permitted to operate insurance business in Sint Maarten on grounds of the National Ordinance on Supervision of the Insurance Industry.

- 3. The activities referred to in the first sub section, part a, in 15°, which are related to the determination of a client's legal position, its representation at law, the provision of advice before, during and after a court case, or the provision of advice on starting or avoiding a court case, to the extent performed by a lawyer, civil-law notary or junior civil-law notary or accountant, acting as an independent legal adviser, are not considered services.
- 4. In connection with the provision of services as referred to in the first sub section, part a, in 14°, the provisions concerning offshore companies apply in full to companies that have not been established under the law of Sint Maarten.

Chapter II

The Office for the Reporting of Unusual Transactions

Article 2

- 1. There is an Office for the Reporting of Unusual Transactions autonomously and independently performs the duties and activities imposed on the Office pursuant to this national ordinance.
- 2. The Office is led by a head. The head of the Office is charged with the responsibility of performing the duties and activities referred to in the first sub section.

Article 3

The Office performs the following duties and activities:

- a.

to collect, record, process and analyse the data it obtains in order to see whether these data could be important in preventing and investigating money laundering or the financing of terrorism and underlying crimes pursuant to this national ordinance;

- b.

to provide data and information in accordance with the provisions set under or pursuant to this national ordinance;

- c.

to inform persons or authorities who have made a disclosure in accordance with Article 11 with a view to proper compliance with the disclosure obligation about the conclusion of the disclosure. In that case, the party is only informed whether data has been provided in accordance with part b;

- d.

to investigate developments in the areas of money laundering and terrorism financing and investigate improvements in the methods of preventing and tracking down money laundering and terrorism financing;

- e.

to give recommendations, having heard the relevant regulators or professional organisations, for the relevant industries concerning the introduction of appropriate procedures for internal control and communication and other measures to be taken to prevent use of the relevant industries for money laundering or the financing of terrorism;

- f.

to provide information and training to the industries and professional groups, the persons and authorities charged with supervising compliance with this national ordinance, the public prosecution department, the civil servants charged with tracking down criminal offences and the public concerning the manifestations and the prevention and combating of money laundering and the financing of terrorism;

- g.

to independently and autonomously maintain contact with and participate in meetings of international and inter-governmental agencies in the area of the prevention and combating of both money laundering and the financing of terrorism; As well as the independent conclusion of covenants or administrative agreements by the head of the Office as required and within the limits of the laws of the country of Sint Maarten, with regard to the exchange of information and information with foreign agencies which have a similar role as the Office;

- h.

to conduct the national coordination of the activities in the context of the implementation of the recommendations of the Caribbean Financial Action Task Force, as well as the independent liaising with the Egmont Group in the context of compliance with the recommendations issued by these organisations; and

- i.

to issue a report annually on its activities and its plans for the coming year to the minister.

Article 4

- 1. The Office keeps and manages a register for the collection, processing and analysing of data and information obtained pursuant to this national ordinance.
- 2. The minister, having consulted with the Office, will establish a set of regulations for the management of the register referred to in the first sub section.
- 3. No data and information are provided from the register unless this provision is provided for by rules set under or pursuant to this national ordinance.

Article 5

- 1. For the proper performance of its duties and activities, the Office is authorised to consult all public sources of information, relevant data or information held by or on behalf of other authorities, as well as commercially collected data and information.
- 2. The data and information holders mentioned in the first sub section are required to permit the Office to consult the registers as referred to in the first sub section.

Article 6

- 1. Upon request or on its own initiative, the Office is required to provide the following data to the law enforcement authorities and civil servants charged with tracking down and prosecuting criminal offences:

○ a.

data which give rise to a reasonable suspicion that a particular person has committed money laundering or an underlying crime or has financed terrorism;

○ b.

data which can be reasonably presumed to be important in preventing and tracking down money laundering or an underlying crime or the financing of terrorism;

○ c.

data which can be reasonably presumed to be important in preventing or tracking down future crimes which could underlie money laundering or the financing of terrorism and which, given their seriousness or frequency or the organised context in which they will be committed, constitute a serious breach of legal order.

- 2. The Office is authorised to provide information concerning the reporting behaviour of the reporting institutions to persons and institutions which are charged with supervision of compliance with this national ordinance.

Article 7

- 1. Rules on the provision of data from the Office's register and the conditions under which this can take place with government-appointed law enforcement and non-law enforcement authorities inside or outside the Kingdom which have a duty similar to that of the Office and with authorities in the Kingdom whose duties have interfaces with the Office's activities shall be laid down in a national decree containing general measures.
- 2. The provision of data to authorities outside the Kingdom shall take place only on the basis of a treaty or administrative agreement, unless it is an authority recognised by the Egmont Group as a member and which, pursuant to its national legislation, is not required to conclude a written agreement for the exchange of data with other authorities recognised by the Egmont Group as members.

Article 8

- 1. The appointment, suspension and dismissal of the head and the other personnel of the Office shall take place pursuant to national decree.
- 2. The head of the Office is appointed for a term of at most five years. After it has expired, this term may be renewed each time for at most five years. The first sub section applies *mutatis mutandis* to the renewal of the appointment.
- 3. The head and personnel of the Office that perform activities in the context of the application of this national ordinance are not liable for damage caused in the normal performance of their duties on grounds of this national ordinance, unless the damage can be attributed to intent or wilful recklessness.

Article 9

Having heard the Office, the minister determines the budget and headcount of the Office.

Chapter III

The reporting obligation

Article 10

After consultation with the Office, the minister shall determine the indicators, if necessary by categories of transactions to be distinguished, with reference to which it is decided whether a transaction must be regarded as an unusual transaction.

Article 11

- 1. Any party that provides a service as referred to in Article 1 (1) (a) in a professional or commercial capacity is required to immediately report to the Office any unusual transaction performed or proposed during such activity.

- 2. A disclosure shall contain the following data, as far as possible:
 - a.
the client's identity;
 - b.
the type and number of the client's proof of identification;
 - c.
the nature, time and place of the transaction;
 - d.
the size, destination and origin of the funds, securities, precious metals or other assets involved in the transaction;
 - e.
the circumstances on the basis of which the transaction is considered unusual.

Article 12

- 1. The Office is authorised to request further data or information from the persons and authorities who have made a report in order to assess whether the data or information collected by the Office may be of interest for the performance of its duties, as referred to in Article 3 (b).
- 2. The party that has been asked for these data or information in accordance with the first sub section is required to provide these to the Office in writing, or orally in cases considered urgent in the Office's opinion, within the time period stipulated by the Office.

Article 13

Further rules on how a report must be made or on how data and information requested on the basis of Article 12 (1) must be provided may be laid down by national decree containing general measures.

Article 14

- 1. Data or information that has been provided in accordance with Articles 11 or 12 (2) cannot serve as the basis for or for the benefit of a criminal investigation or prosecution on account of suspicion of or as evidence in relation to charges on account of money laundering or an underlying crime or the financing of terrorism by the party that provided these data or information.

- 2. Data or information that has been provided under the reasonable assumption that effect is given to Articles 11 or 12 cannot serve as the basis for or for the benefit of a criminal investigation or prosecution on account of suspicion of or as evidence in relation to charges on account of violation of the Articles 285 and 286 of the Criminal Code.
- 3. The first sub section applies mutatis mutandis to the person who works for the party that provided the data or information or cooperated with that provision in accordance with Articles 11 or 12 (2).

Article 15

- 1. The party that has proceeded to make a report on the basis of Article 11 or that has provided data or information on the basis of Article 12 (2) under the reasonable assumption that effect is given to these Articles is not liable for damage suffered by a client or third party as a result of this, unless this damage was caused by intent or wilful recklessness on the part of the person or authority who made the disclosure.
- 2. The first sub section applies mutatis mutandis to the person who works for the party that proceeded to make a report or provided the data or information referred to in the first sub section.

Chapter IV

[expired]

Chapter V

Secrecy

Article 20

- 1. Data and information that has been provided or received pursuant to the provisions stipulated under or pursuant to this national ordinance are secret. Any person that provides or receives such data or information, as well as the person that makes a report pursuant to Article 11 (1), is required to observe secrecy in relation to the data or information.
- 2. Any person that performs or has performed any duty in relation to application of this national ordinance or pursuant to resolutions adopted pursuant to this national ordinance is prohibited from making further or other use of the data or information provided or received pursuant to this national ordinance and from making these data or information known to further or other parties beyond what is required for the performance of his duty or by this national ordinance.
- 3. In deviation from the first and second sub sections and from any other applicable statutory secrecy provisions, the Regulator is authorised to notify the Office if, in performing its duty, facts come to light which could possibly point to money laundering or the financing of terrorism.

- 4. In deviation from the first and second sub sections, the Office is authorised to:
 - a.

provide data and information, *inter alia* on the reporting behaviour of the reporting institutions, obtained in the performance of the duties imposed on it pursuant to this national ordinance, to the Regulator;

- b.

make statements and publish statistics, provided these cannot be traced back to individual service providers, using data and information obtained in the performance of the duties imposed on it pursuant to this national ordinance.

Article 21

In deviation from Article 20 (1) and (2), and with due observance of the provisions of Article 7, the Office is authorised to provide data and information obtained in the performance of its duties imposed pursuant to this national ordinance to foreign law enforcement and non-law enforcement authorities that have a duty similar to that of the Office and to authorities in the Kingdom whose duties have interfaces with the Office's activities.

Chapter VI

[expired]

Chapter VI a

Administrative sanctions

Article 22a

- 1. The Regulator can impose an order subject to a penalty on a service provider that fails to comply, or fails to comply on time, with the obligations imposed under or pursuant to Articles 11, 12 (2), 13, 20 (2), 22h (3) of this national ordinance.
- 2. The height of the penalty for the various violations will be determined pursuant to a national decree containing general measures.
- 3. The decision imposing an order subject to a penalty will give a time period in which the offender can carry out the order without incurring a penalty.
- 4. The Regulator can collect the amount owed, increased with the costs owed on the collection, by way of writ of execution.
- 5. The writ of execution will be served by bailiff's notification at the offender's expense and constitutes entitlement to enforcement.

- 6. The authority to collect amounts owed expires by the passage of one year from the day on which they were incurred.

Article 22b

- 1. The Regulator can impose a fine on a service provider that fails to comply, or fails to comply on time, with the obligations imposed under or pursuant to Articles 11, 12 (2), 13, 20 (2), 22h (3) of this national ordinance for every day which it is in default.
- 2. The height of the fine for the various violations and to whom this penalty must be paid will be determined pursuant to national decree containing general measures.
- 3. Before imposing a fine, the Regulator will notify the particular service provider in writing about the intention to impose the fine with reference to the grounds on which the intention is based and give it the opportunity to remedy the default within a reasonable period of time.

Article 22c

- 1. The fine must be paid within four weeks from the date of the decision by which it was imposed.
- 2. The fine is increased with the statutory interest calculated from the day on which the time period referred to in the first sub section expired.
- 3. If the fine is not paid within the time period given, the Regulator will send a written reminder that the fine must yet be paid within ten days from the date of the reminder, increased with the costs of the reminder. The reminder will contain the notice that the fine will be collected in accordance with the fourth sub section if it is not paid within the time period given.
- 4. If payment is not made on time, the Regulator can collect the fine, increased with the costs of the reminder and the collection, by way of writ of execution.
- 5. The writ of execution will be served by bailiff's notification at the offender's expense and constitutes entitlement to enforcement.

Article 22d

- 1. The authority to impose a fine expires if criminal prosecution has been started against the offender in relation to the violation on grounds of which the fine can be imposed and the court hearings have started, or the right to prosecute has lapsed pursuant to Article 76 of the Criminal Code.
- 2. The right to prosecute in relation to a violation of the Articles mentioned in Article 22b (1) expires if the Regulator has already imposed a fine for that violation.
- 3. The authority to impose a fine expires one year from the day on which the violation was committed.

- 4. The time period referred to in the third sub section is interrupted by the announcement of the decision by which a fine is imposed.

Article 22e

- 1. The Regulator can, in order to promote compliance with this national ordinance, make public the offence in relation to which an order subject to a penalty or a fine has been imposed, the regulation that was violated, as well as the name and address of the party on whom the order subject to a penalty or administrative fine has been imposed.
- 2. The authority to make an offence public expires if criminal prosecution has been started against the offender in relation to the offence and the court hearings have started, or the right to prosecute has lapsed pursuant to Article 76 of the Criminal Code.
- 3. The right to prosecute in relation to an offence as referred to in the first sub section expires if the Regulator has already made the offence public.
- 4. The authority to make an offence public expires one year from the day on which the offence occurred.
- 5. The time period referred to in the fourth sub section is interrupted by the announcement of the decision by which the fact is made public.

Article 22f

- 1. The activities in connection with the imposing of a penalty or of a fine are performed by persons who were not involved in ascertaining the violation or in the investigation preceding that.
- 2. The activities in connection with making an offence public are performed by persons who were not involved in ascertaining the offence or in the investigation preceding that.

Article 22g

The minister may lay down rules for the exercise of the power referred to in Articles 22a (1), 22b (1) and 22e (1).

Chapter VI b

Supervision and investigation

Article 22h

- 1. The following are charged with supervising compliance with the provisions laid down under or pursuant to this national ordinance:

◦ a.

the officers of the Bank designated for this purpose by the President of the Bank, to the extent providers of services as referred to in Article 1 (1) (a) (1°) to (10°) inclusive and (14°) are concerned;

o b.

the supervisory bodies designated for this purpose or authorities charged with this by the minister, to the extent providers of services as referred to in Article 1 (1) (a) (11°) (a) and (b) are concerned;

o c.

the head of the Office as well as the officers of the Office appointed for this purpose by the head, to the extent providers of services as referred to in Article 1 (1) (a) (12°), (13°) and (15°) are concerned.

Such appointments will be announced in the Official Gazette.

- 2. If other services are designated by national decree with application of Article 1 (1) (a) (16°), that national decree will also provide for the supervision.
- 3. The Regulator is authorised, in order to promote compliance with this national ordinance, to give guidelines to the service providers subject to its supervision as referred to in the first sub section.
- 4. The officers referred to in the first sub section are authorised, exclusively to the extent reasonably necessary for the performance of their duty, to:

o a.

request all information;

o b.

request access to all accounts, documents and other information carriers, such as electronic files, and take copies of these or temporarily take these with them;

o c.

subject goods to inspection and examination, temporarily take these with them for that purpose and take samples from them;

o d.

enter all locations, with the exception of private residences without the explicit permission of the occupant, accompanied by persons designated by them;

o e.

investigate vessels, stationary vehicles and the cargo of these;

o f.

enter private residences or parts of vessels intended as a residence without the explicit permission of the occupant.

- 5. If necessary, access to a place as referred to in the fourth sub section, part d, will be gained with the help of police.
- 6. Title X of the Third Book of the Code of Criminal Procedure applies *mutatis mutandis* to the entering of private residences or to parts of vessels intended as a private residence as referred to in the fourth sub section, part f, with the exception of Articles 155 (4), 156 (2), 157 (2) and (3), 158 (1), last clause, and 160 (1) and on the understanding that the authorisation is granted by the Attorney-General.
- 7. Rules relating to how the persons designated pursuant to the first sub section perform their duty may be laid down by national decree containing general measures.
- 8. Every person is required to lend the persons designated pursuant to the first and second sub sections all the cooperation demanded on grounds of the fourth sub section.

Article 22i

- 1. In addition to the officers referred to in Article 184 of the Code of Criminal Procedure, the persons designated for this purpose by national decree are charged with tracking down the offences made punishable in Article 23. Such an appointment will be announced in the Official Gazette.
- 2. Rules on the requirements which the persons designated pursuant to the first sub section must satisfy may be laid down by national decree containing general measures.

Chapter VII

Penalty provisions

Article 23

- 1. Violation or breach of the provisions in Articles 11, 12 (2), 20 (1) and (2) or pursuant to the Articles 13 and 22h (3) and (8) is a crime if committed intentionally and is punished either by a prison sentence of at most four years or by a fine of at most five hundred thousand guilders or by both penalties.
- 2. Violation of the provisions referred to in the first sub section is a violation if not committed intentionally and is punished either by short-term imprisonment of at most one year or by a fine of at most two hundred fifty thousand guilders or by both penalties.

Chapter VII a

Statistics

Article 24

The minister may lay down regulations with a view to keeping track of statistics relating to money laundering or underlying crimes and the financing of terrorism.

Chapter VIII

Final provisions

Article 25

[provides for the coming into force]

Article 26

This national ordinance may be cited as: **National Ordinance Reporting Unusual Transactions**

ANNEX 2 LIST OF FIGURES

| | |
|--|----|
| Figure 1. Organizational Structure FIU Sint Maarten 2013 | 10 |
| Figure 2. Total Reports over the years | 16 |
| Figure 3. Total of UTRs per month of 2013..... | 17 |
| Figure 4. Total of UTRs per sector | 19 |
| Figure 5. Total Executed and Intended transactions | 20 |
| Figure 6. Objective vs Subjective reports in % of 2013 | 21 |
| Figure 7. UTRs vs. STRs..... | 22 |
| Figure 8. UTRs vs. STRs in 2013 | 23 |
| Figure 9. UTRs on General Banks | 24 |
| Figure 10. UTRs of Money Remitters..... | 25 |
| Figure 11. UTRs of Credit Cards | 26 |
| Figure 12. UTRs of Life Insurance Companies | 27 |
| Figure 13. UTRs DNFBP | 29 |
| Figure 14. UTRs of Trust Companies..... | 30 |
| Figure 15. UTRs of Casinos | 31 |
| Figure 16. UTRs on Customs..... | 32 |
| Figure 17. Art12 Requests to the respective sectors | 34 |
| Figure 18. UTRs vs. STRs per Actions taken of UTRs | 41 |
| Figure 19. UTRs vs. STRs | 42 |
| Figure 20. Unusual versus suspicious transactions | 42 |
| Figure 21. Art.6 requests from KPSXM and RST | 43 |
| Figure 22. Processing, Analysis, and Dissemination of UTRs | 46 |

ANNEX 3 LIST OF TABLES

| | |
|--|----|
| Table 1. Total of UTRs per year per sector | 18 |
| Table 2. Total Executed and Intended transactions..... | 19 |
| Table 3. UTRs vs. STRs..... | 22 |
| Table 4. Table of actions taken on UTRs in 2013 | 23 |
| Table 5. UTRs General Banks..... | 24 |
| Table 6. UTRs money remitters..... | 25 |
| Table 7. UTRs Credit Card transactions | 26 |
| Table 8. UTRs Life Insurance | 27 |
| Table 9. UTRs DNFBP | 29 |
| Table 10. UTRs Trust Companies | 30 |
| Table 11. UTRs Casinos | 31 |
| Table 12. UTRs Customs..... | 32 |
| Table 13. Art 12 Requests to the respective sectors..... | 34 |
| Table 14. UTRs vs. STRs..... | 41 |
| Table 15. Unusual versus suspicious transactions | 42 |
| Table 16. Art.6 requests from KPSXM and RST..... | 43 |
| Table 17. Incoming international requests for info. | 45 |
| Table 18. Outgoing international requests..... | 45 |



Backstreet #65
P.O. Box 5095
Philipsburg, Sint Maarten
Tel.no. (+1721) 542 3025 / 543 0826 / 543 0827
Toest. 105 or 113
Fax no. (+1721) 543 0828
E-mail 1: lms@sintmaarten.net
E-mail 2: directorFIU@justicesxm.com
Website: www.fiu-sxm.net