



Bailiwick of Guernsey  
Financial Intelligence Unit

# Statistical Review

## Third Quarter

### 2022

*Financial Intelligence Unit*  
*October 2022*

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# Statistical Review for the Third Quarter of 2022

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## 1. Overview

The Bailiwick of Guernsey Financial Intelligence Unit (FIU) is pleased to share the statistical review of the third quarter 2022, which follows on from the circulation of the first and second quarters earlier this year.

## 2. Statistical Information

### ➤ Suspicious Activity Reports

During the third quarter of 2022, the FIU received 670 Suspicious Activity Reports (SARs), a decrease of 22%, compared to the 860 received in quarter two. This was a decrease of 39% on the number of SARs (1101) received during the same period in 2021 and a 24% increase on the same period in 2018 (542).

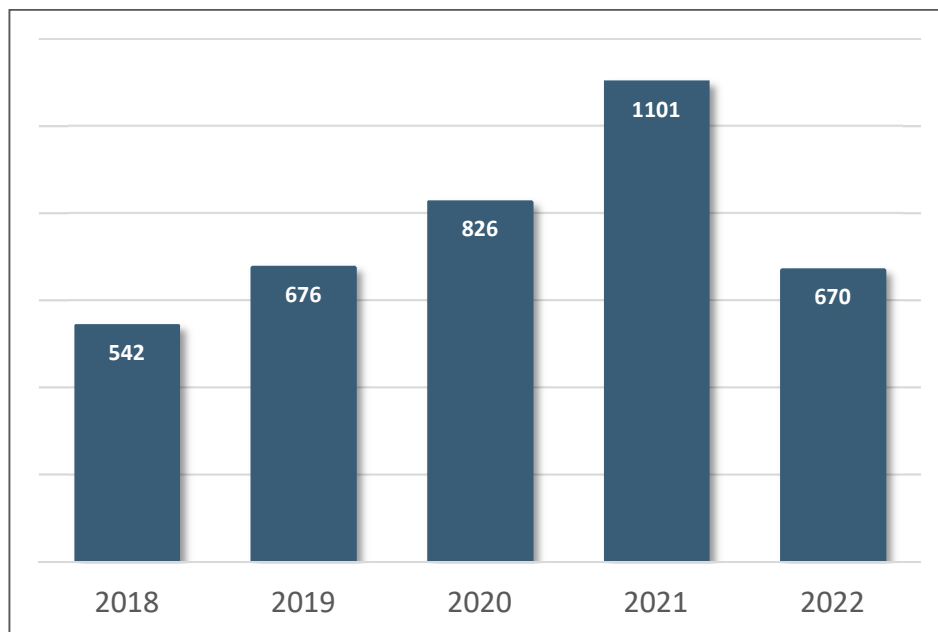


Figure 1: SARS received in 3<sup>rd</sup> quarter per year

### ➤ Reporting Sectors

EGambling was the lead reporting sector submitting 505 SARs (75%) during the third quarter, followed by trust and company service providers (TCSPs) submitting 76 (11%) and banks 49 (7%) as shown in figure 2. This pattern of reporting is consistent with previous years as shown in figure 3. The volume of SARs received from reporting sectors eGambling, TCSPs and banks during the third quarter of 2022 has decreased when compared to the same period in 2020 and 2021.

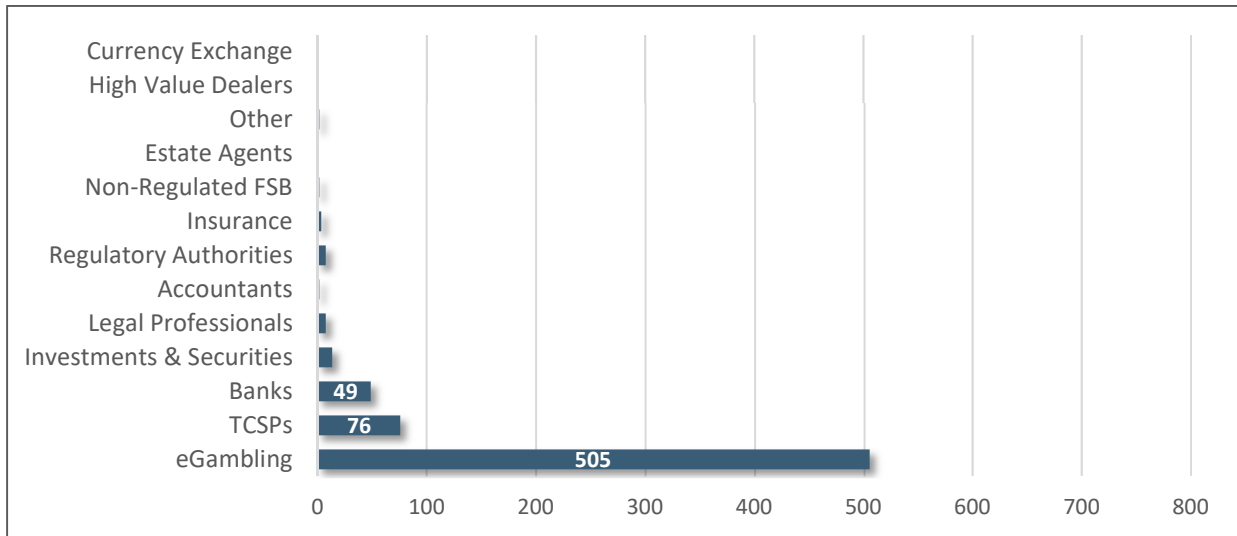


Figure 2: SARS submitted per reporting sector for 3<sup>rd</sup> quarter

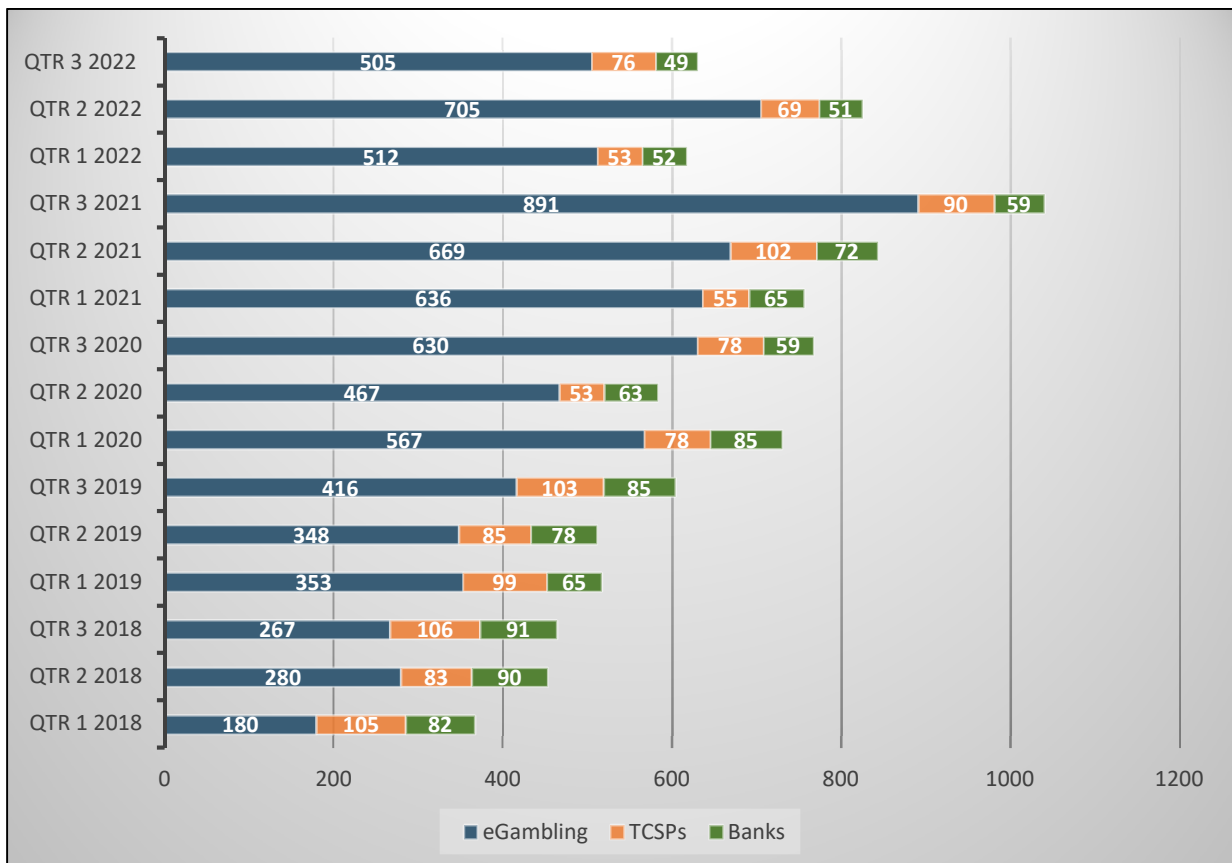


Figure 3: SARS submitted by eGambling, TCSPs & banks in 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarter per year

### ➤ Suspected Criminality

Money laundering was the leading suspected criminality identified in 75% (501) of the SARs received in the third quarter followed by fraud, false accounting or forgery 14% (95) and tax evasion 7% (47) as shown in figure 4.

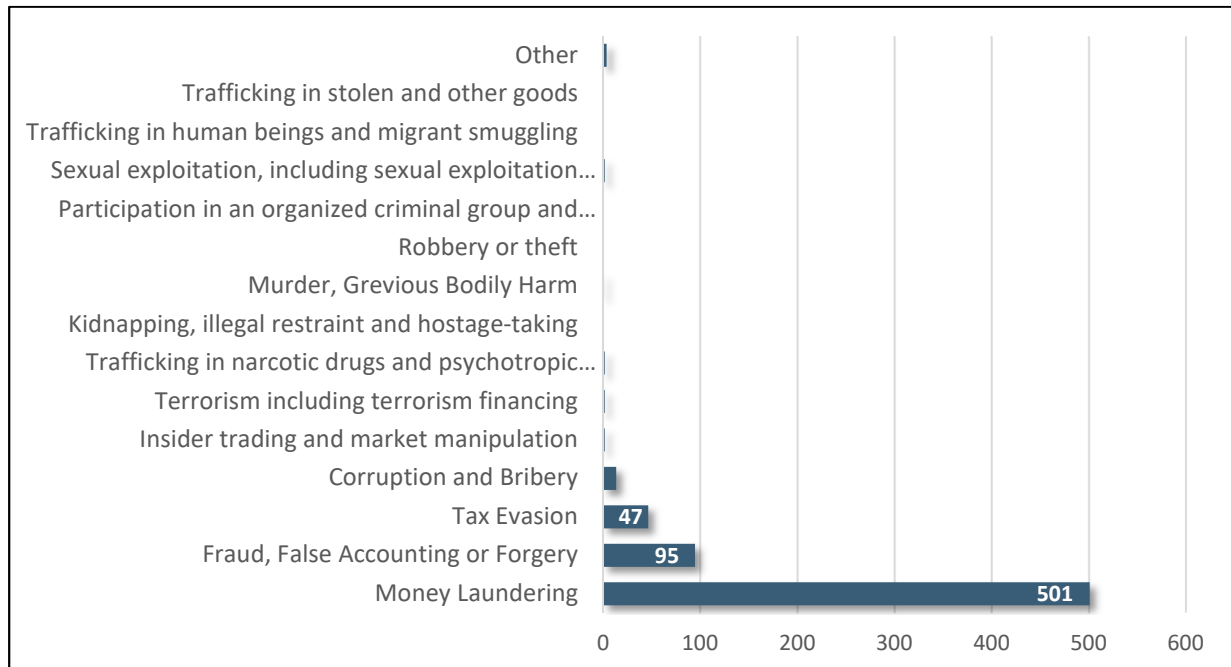


Figure 4: Suspected criminality on SARs for 3<sup>rd</sup> quarter

This largely follows the same pattern for the third quarter over the past five years, as shown in figure 5 below.

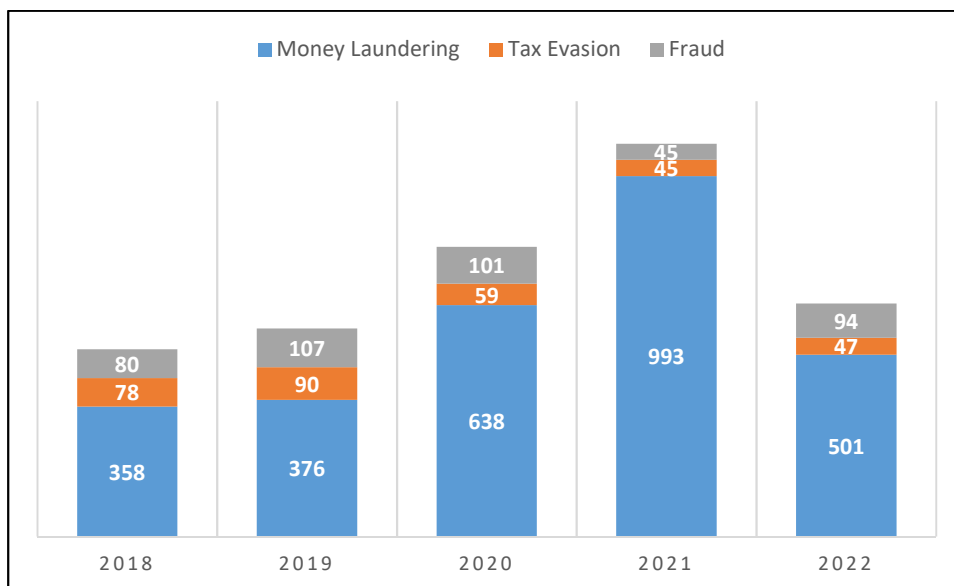


Figure 5: Suspected criminality on SARs for 3<sup>rd</sup> quarter per year

The eGambling sector accounted for 88% (439) of the SARS identified with the suspected criminality of money laundering and 60% (56) of SARS identified with the suspected criminality of fraud, false accounting or forgery. It is essential that we all implement appropriate measures to deter and prevent money laundering and to continually assess the effectiveness of current procedures in place.

Equally to the first and second quarter both corruption and bribery and terrorism including terrorist financing have remained low making up around 2% of the SARS received in the third quarter of 2022.

1% (10) SARS were identified as containing a reference to a politically exposed person ("PEP") which remains largely consistent with previous years.

➤ **Grounds for Suspicion**

Attributable to the substantial number of eGambling SARS received in the third quarter the leading reason for suspicion was adverse open source on 214 SARS (32%), followed by client non-compliance on 158 SARS (24%) and then fraud, false accounting or forgery on 98 SARS (15%).

A total of 50 SARS (7%) were submitted defensively in the third quarter of 2022 (i.e. SARS submitted following an approach by law enforcement or a regulatory agency) which is a slight increase compared to 35 SARS in the first quarter and 43 SARS in the second quarter of 2022.

A further 22 SARS were submitted following attempted transactions in the third quarter measured against 12 SARS in the first quarter and 9 SARS in the second quarter.

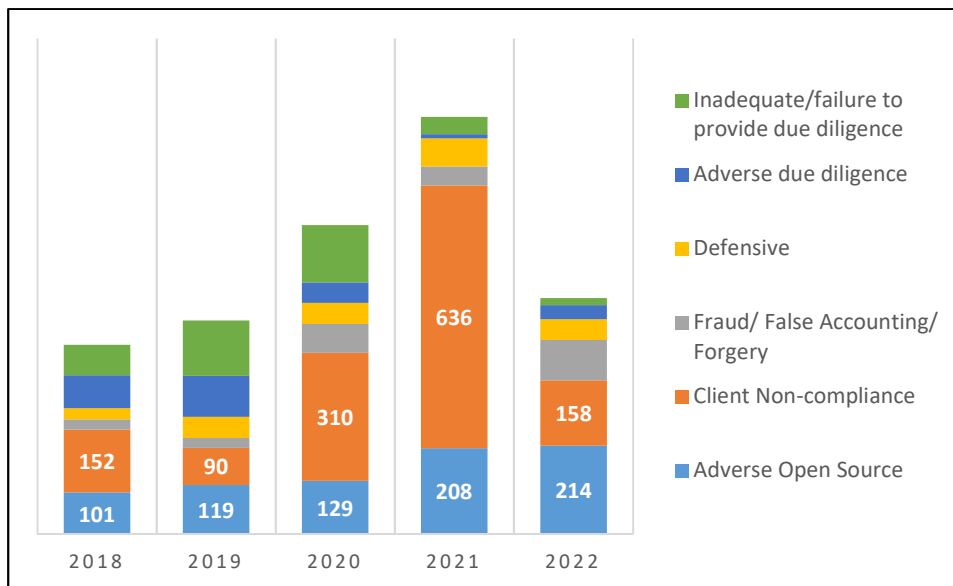


Figure 6: Suspected grounds for suspicion on SARS for 3<sup>rd</sup> quarter per year

Figure 6 above presents the primary grounds for suspicion on SARS for the third quarter per year. Client non-compliance and adverse open source have remained high across the past five years for the third quarter with other grounds for suspicion varying in lesser degrees. We must

all be aware of the different types of red flags which could occur at any stage of a business relationship.

### ➤ **Subject Residency**

The primary area of residence of the subjects reported within SARs during the third quarter of 2022 was the UK (72%). High-risk and other monitored jurisdictions identified by the Financial Action Task Force such as the Russian Federation, Cayman Islands, United Arab Emirates and Panama appeared in less than 1% of the total SARs for the third quarter of 2022.

### ➤ **Consent Requests**

The FIU distributed 406 consent letters which is a minor difference to the 423 in the second quarter as shown in figure 7 below. The FIU aims to respond to consent requests within 14 working days, and in the third quarter of 2022, 96% were answered within 14 working days which is consistent with the second quarter.

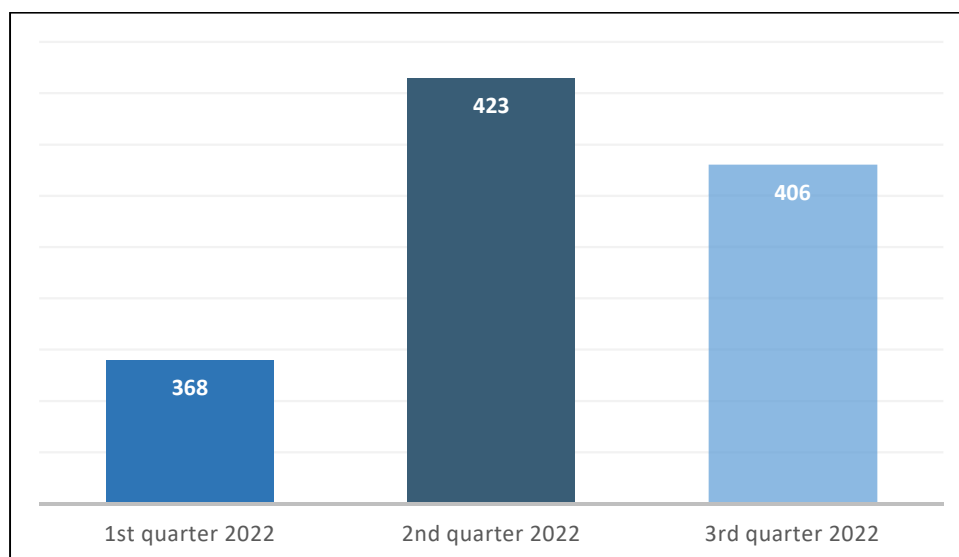


Figure 7: Number of consent letters distributed by the FIU

### ➤ **Granted Consent**

The granting of consent by the FIU provides the reporting entity with a statutory defence to a charge of money laundering or terrorist financing in respect of the 'act' undertaken. The FIU issued 322 'granted' and 3 'subsequently granted' responses to consent requests in the third quarter of 2022.

### ➤ **Refusal Consents ('No Consents')**

The refusal of consent is commonly referred to as a 'no consent'. If the FIU withholds consent, they liaise closely with the reporting entity. During the third quarter of 2022, 9 consent requests received a 'no consent' response from the FIU; 6 received responses in under 7 days and 3 within 20 days. The number of no consents issued during the first, second and third quarters of 2022 has decreased by approximately 38% when compared to the same period in 2021.

### ➤ Consent Not Applicable

72 'not applicable' responses were issued in the third quarter of 2022 with 68 being responded to within 14 days. Analysis of 'not applicable' responses identified that they did not contain an 'act' that required a statutory defence against money laundering; consent can only be granted by the FIU when a transaction or activity is considered a criminal offence under the provisions of the Bailiwick of Guernsey's Proceeds of Crime Law.

### ➤ Requests for Assistance

The FIU received 23 requests for assistance during the third quarter of 2022 which matches 23 received in the second quarter of 2022 and 23 received in the third quarter of 2021, as shown in figure 8 below.

15 requests for assistance were from international FIUs such as India, Luxembourg, Cayman Islands, Fiji, Seychelles, Malta, Romania, Germany and the United States and the main suspected criminality identified within the requests being money laundering, followed by corruption and bribery.

8 requests were received from domestic agencies including Bailiwick Law Enforcement and the Economic Financial Crime Bureau.

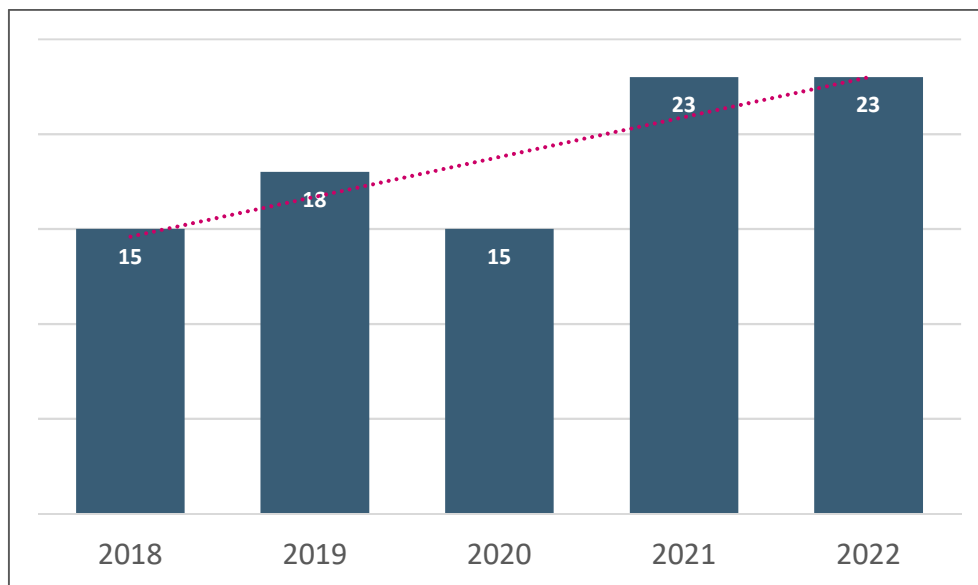


Figure 8: Requests for assistance received in 3<sup>rd</sup> quarter per year

### ➤ Spontaneous Intelligence

The FIU received a total of 11 spontaneous intelligence reports in the third quarter of 2022, as shown in figure 9 below, this is an increase on the 8 received in the second quarter. The leading suspected criminality on these intelligence reports was money laundering, followed by tax evasion and terrorism including terrorism financing both with two reports received. A total of 32 spontaneous intelligence reports have been received between January and September 2022, which is the highest recorded over the past 5 years when examining the same period.



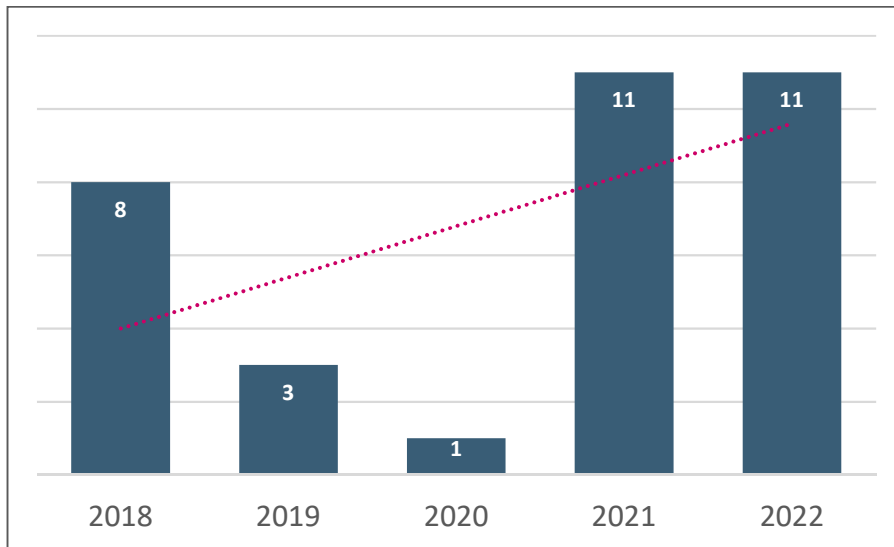


Figure 9: Spontaneous intelligence received in 3<sup>rd</sup> quarter per year

### ➤ Regulation Letters

A total of 32 Regulation letters were issued by the FIU during the third quarter of 2022 in order to obtain further information, as shown in figure 10 below. This included 20 Regulation 2 letters, 6 Regulation 2A letters and 6 Regulation 2 Section 11A letters. This presented an overall increase of 88% on the same period in 2021.

The reporting sector that received the most letters was TCSPs (59%) followed by banks (28%), Investments & securities (9%) and legal providers (3%) in the third quarter.

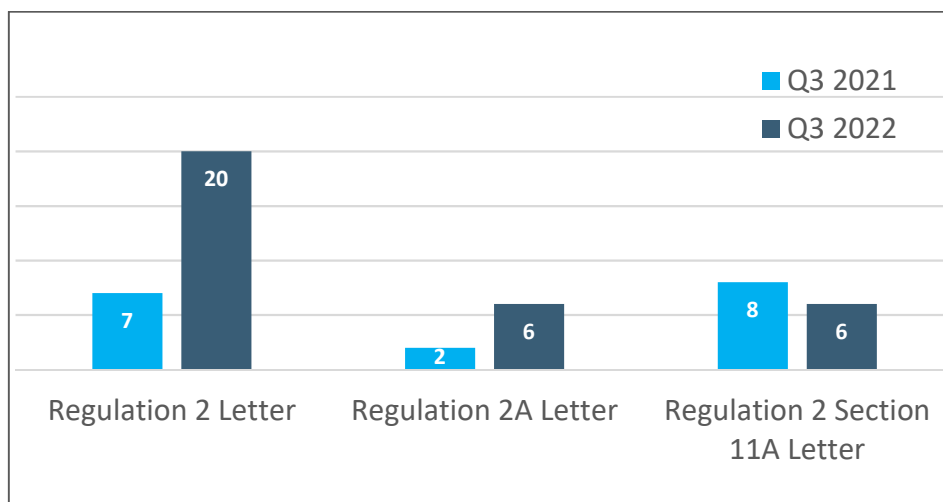


Figure 10: Regulation letters issued in 3<sup>rd</sup> quarter of 2021 & 2022

### ➤ Intelligence Reports

The FIU disseminated 237 intelligence reports during the third quarter of 2022, indicating an increase of 24% on the number of reports sent out in the same period in 2021, as shown in figure 11 below. Of these reports:

- 179 were sent to international jurisdictions, with the UK being the most frequent recipient jurisdiction (74), followed by USA (20), South Africa (7) and Jersey (7); and
- 58 were sent to domestic agencies, of which the most frequent recipient was the Revenue Service (18) followed by Policy & Resources Committee (12), the Economic & Financial Crime Bureau (11), and the Guernsey Financial Services Commission (8) and the Bailiwick of Guernsey Law Enforcement (6).

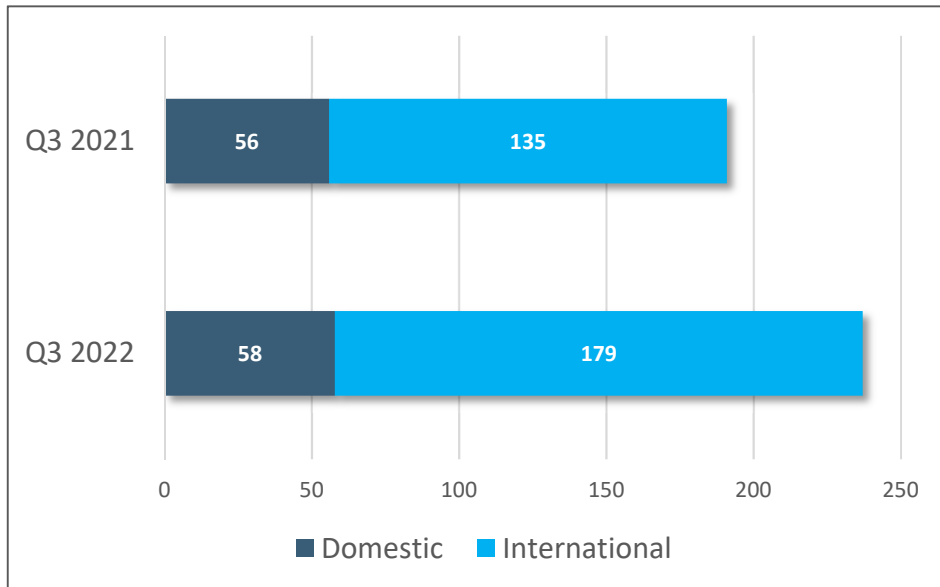


Figure 11: Number of intelligence reports disseminated in 3<sup>rd</sup> quarter by year

### 3. Suggested Reading

The FIU are pleased to share the below links on guidance to improve SAR reporting and guidance on the consent regime.

The FIU guidance to improve SAR reporting can be found at the below link:

<https://guernseyfiu.gov.gg/CHttpHandler.ashx?id=148593&p=0>

The FIU guidance on consent can be found at the below link:

<https://guernseyfiu.gov.gg/CHttpHandler.ashx?id=149353&p=0>

Visit our website at [www.guernseyfiu.gov.gg](http://www.guernseyfiu.gov.gg)

**Do not forward these links outside of your organisation.**

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