



Bailiwick of Guernsey  
Financial Intelligence Unit

# Statistical Review Second Quarter 2022

*Financial Intelligence Unit  
July 2022*

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## Contents

1. Overview.....	3
2. Statistical Information .....	3
➤ Suspicious Activity Reports.....	3
➤ Reporting Sectors .....	3
➤ Suspected Criminality .....	4
➤ Grounds for Suspicion.....	5
➤ Subject Residency .....	6
➤ Consent Requests .....	6
➤ Granted Consent.....	6
➤ Refusal Consents ('No Consents').....	6
➤ Consent Not Applicable .....	6
➤ Requests for Assistance .....	7
➤ Spontaneous Intelligence .....	7
➤ Regulation Letters.....	8
➤ Intelligence Reports.....	9
3. Suggested Reading .....	9

# Statistical Review for the Second Quarter of 2022

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## 1. Overview

In April 2022, the Bailiwick of Guernsey Financial Intelligence Unit (FIU) created an e-learning product incorporating a statistical review of the first quarter of 2022. Following on from this the FIU is pleased to share the statistical review for the second quarter of 2022.

## 2. Statistical Information

### ➤ Suspicious Activity Reports

During the second quarter of 2022, the FIU received 860 Suspicious Activity Reports (SARs), an increase of 31%, compared to the 656 received in quarter one. However, this was a decrease of 3% on the number of SARs (884) received during the same period in 2021 and a 63% increase on the same period in 2018 (527).

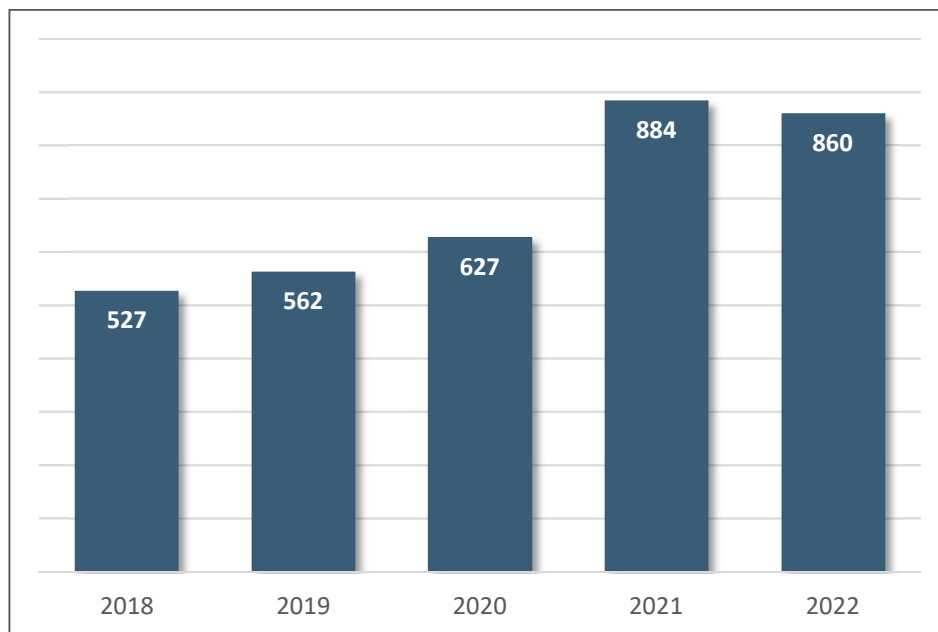


Figure 1: SARS received in 2<sup>nd</sup> quarter per year

### ➤ Reporting Sectors

EGambling was the predominant reporting sector submitting 705 SARs (82%) during the second quarter, followed by trust and company service providers (TCSPs) submitting 69 (8%) and banks 51 (6%). This pattern of reporting is consistent with previous years as shown in figure 3.

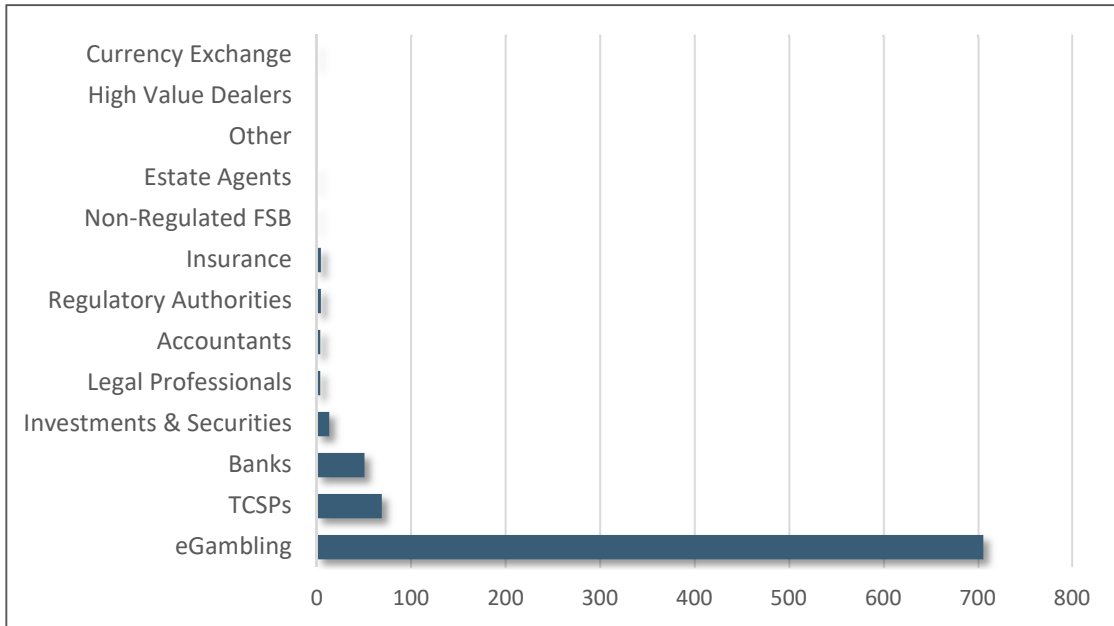


Figure 2: SARS submitted per reporting sector for 2<sup>nd</sup> quarter

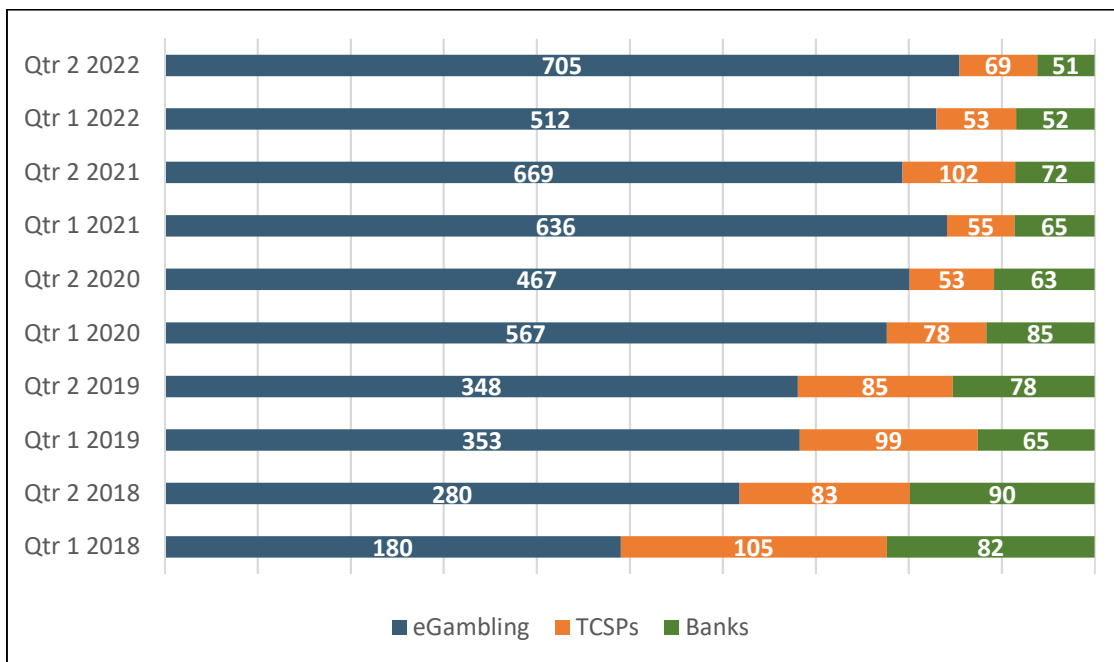


Figure 3: SARS submitted by eGambling, TCSPs & banks in 1<sup>st</sup> & 2<sup>nd</sup> quarter per year

### ➤ Suspected Criminality

Money laundering was the predominant suspected criminality identified in 61% (523) of the SARs received in the second quarter followed by fraud, false accounting or forgery 32% (270) and tax evasion 5% (43). This slightly differs to the first quarter of 2022, whereby tax evasion was the second most prevalent suspected criminality followed by fraud, false accounting or forgery.

The eGambling sector accounted for 87% (235) of the SARs identified with the suspected criminality of fraud, false accounting or forgery with the majority of these SARs identifying suspected fraudulent documentation believed to be linked to an organised crime group in the United Kingdom.

Similarly to the first quarter both corruption and bribery and terrorism including terrorist financing have remained low making up around 1% of the SARs received in the second quarter of 2022. We all must continue to be vigilant when assessing the risk aligned with these criminalities.

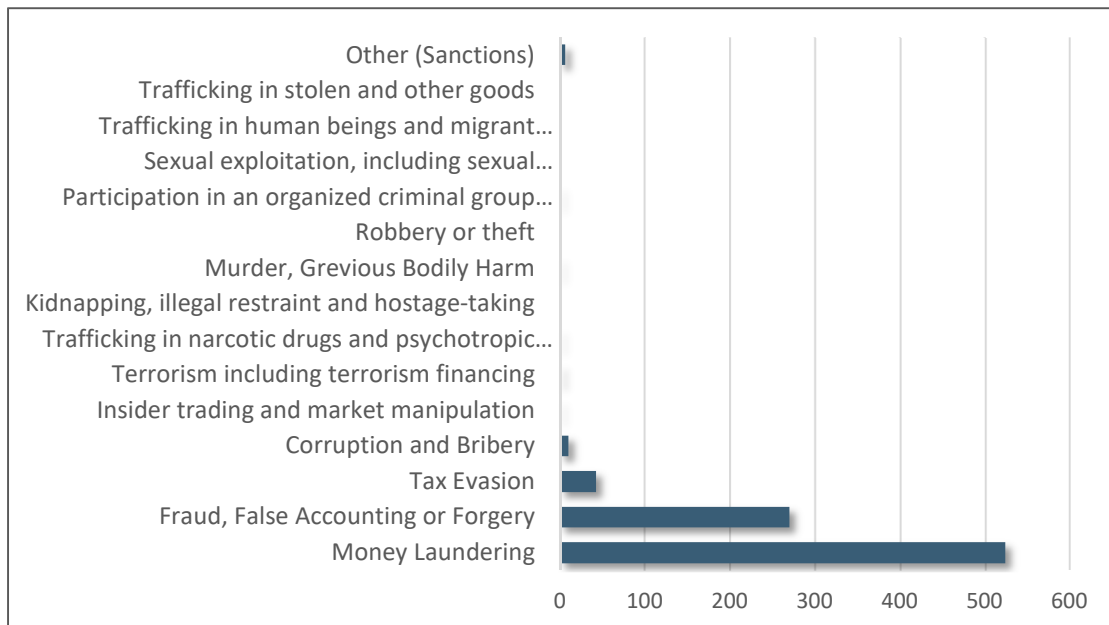


Figure 4: Suspected criminality on SARs for 2<sup>nd</sup> quarter

1% (9) SARs were identified as containing a reference to a politically exposed person ("PEP") which remains generally consistent with previous years.

### ➤ Grounds for Suspicion

Due to the large number of eGambling SARs received in the second quarter the leading reason for suspicion was fraud, false accounting or forgery on 273 SARs (32%), followed by adverse open source on 221 SARs (26%) and then client non-compliance on 176 SARs (20%) which was the predominant reason for suspicion in the first quarter of 2022.

A total of 43 SARs (5%) were submitted defensively in the second quarter of 2022 (i.e. SARs submitted following an approach by law enforcement or a regulatory agency) which is a slight increase on the first quarter of 2022.

A further 9 SARs were submitted following attempted transactions in quarter two compared to 12 SARs in quarter one.

### ➤ Subject Residency

The primary area of residence of the subjects reported within SARs during the second quarter of 2022 was the UK (82%). 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 circa 1% of the total SARs for the second quarter of 2022.

### ➤ Consent Requests

The FIU distributed 423 consent letters an increase of 15% on the first quarter. The FIU aims to respond to consent requests within 14 working days, and in the second quarter of 2022, 96% were answered within 14 working days.

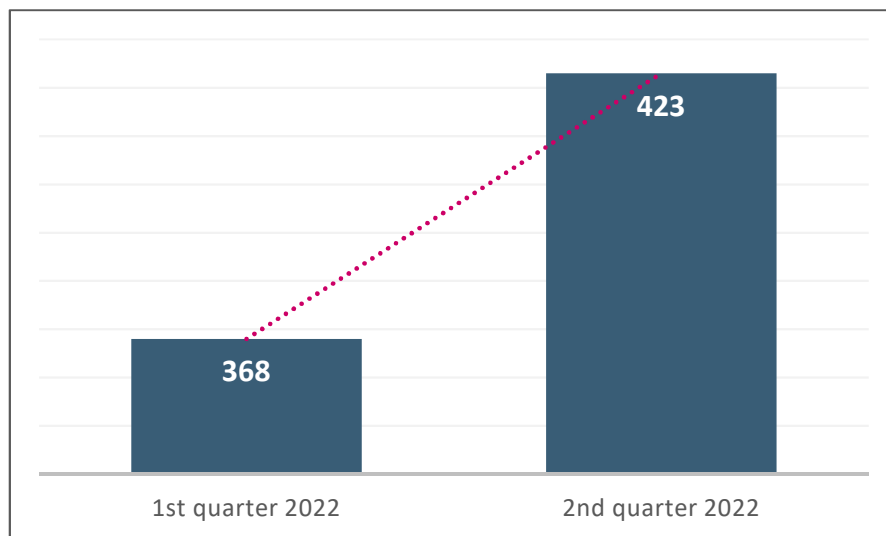


Figure 5: Number of consent letters distributed by the FIU

### ➤ 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 344 'granted' and 4 'subsequently granted' responses to consent requests in the second 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 second quarter of 2022, 6 consent requests received a 'no consent' response from the FIU; 5 received responses on either the same day or within the next 2 days and 1 within 12 days.

### ➤ Consent Not Applicable

69 'not applicable' responses were issued in the second quarter of 2022 with a 7 day average response time and 96% 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 second quarter of 2022 compared to 19 in the first quarter. The number of requests received in the first half of 2022 indicates an 83% increase compared to the same period in 2021. These figures indicate a return to expected levels seen before the Covid-19 pandemic.

20 requests for assistance were from international FIUs such as Albania, Algeria, France, India, Ireland, UK, Ukraine, Malta and Montenegro with the main suspected criminality identified within the requests being money laundering, followed by fraud.

3 requests were received from domestic agencies including Bailiwick Law Enforcement, Customs & Immigration and the Economic Financial Crime Bureau.

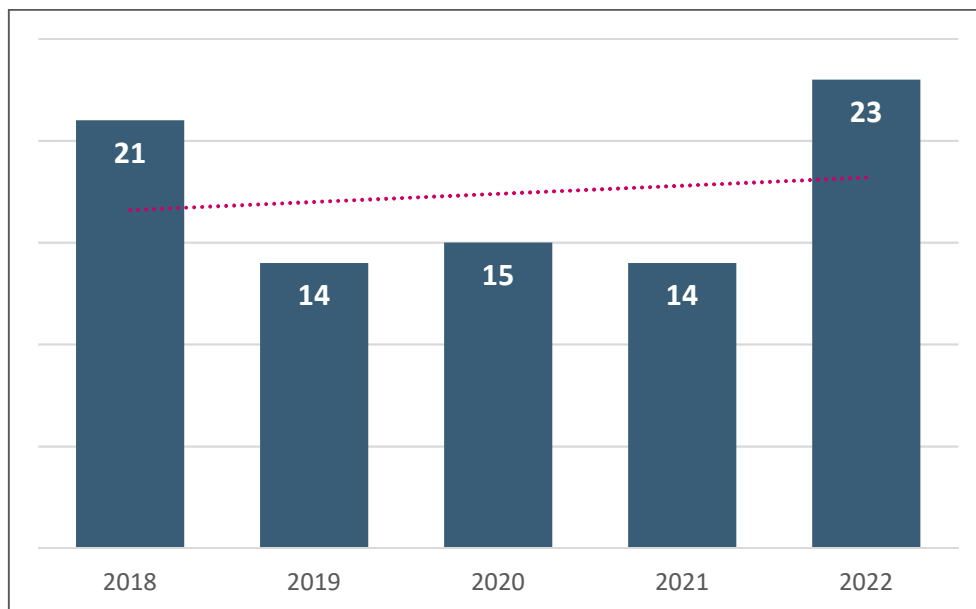


Figure 6: Requests for assistance received in 2nd quarter per year

### ➤ Spontaneous Intelligence

The FIU received a total of 8 spontaneous intelligence reports in the second quarter of 2022, a decrease on the 13 received in the first quarter. A total of 21 spontaneous intelligence reports have been received between January and June 2022, which is the highest recorded when reviewing the same period across 5 years.

The predominant suspected criminality on these intelligence reports was money laundering, followed by links to Sanctions and finally Corruption and Bribery.

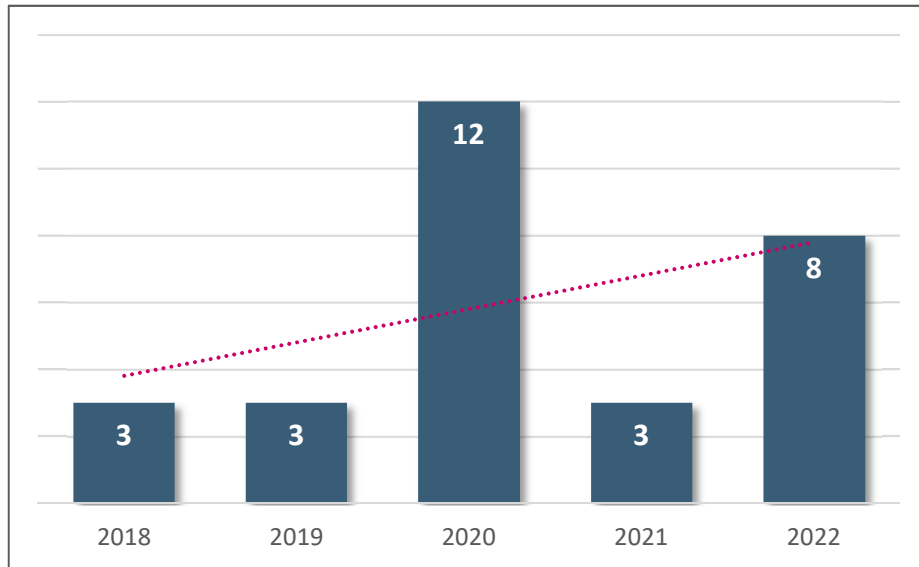


Figure 7: Spontaneous intelligence received in 2nd quarter per year

### ➤ Regulation Letters

A total of 28 Regulation letters were issued by the FIU during the second quarter of 2022 in order to obtain further information; including 12 Regulation 2 letters, 8 Regulation 2A letters and 8 Regulation 2 Section 11A letters. This presented an overall increase of 56% on the same period in 2021.

The reporting sector that received the most letters was TCSPs (75%) followed by banks (18%). Investments & securities, legal providers and eGambling all received one letter in the second quarter.

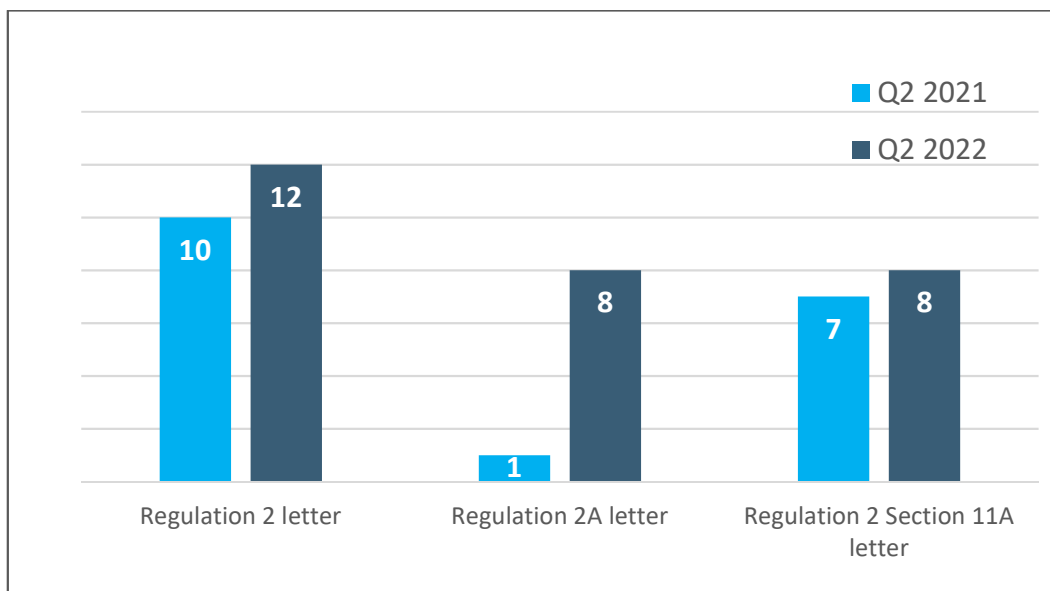


Figure 8: Regulation letters issued in 2<sup>nd</sup> quarter of 2021 & 2022



### ➤ Intelligence Reports

The FIU disseminated 284 intelligence reports during the second quarter of 2022, indicating an increase of 109% on the number of reports sent out in the same period in 2021. Of these reports:

- 216 were sent to international jurisdictions, with the UK being the most frequent recipient jurisdiction (80), followed by South Africa (22), USA (12) and Jersey (10); and
- 68 were sent to domestic agencies, of which the most frequent recipient was the Revenue Service (26) followed by Bailiwick of Guernsey Law Enforcement (13), the Economic & Financial Crime Bureau (9), and Policy & Resources Committee (9) the Guernsey Financial Services Commission (4) and Social Security Department (4).

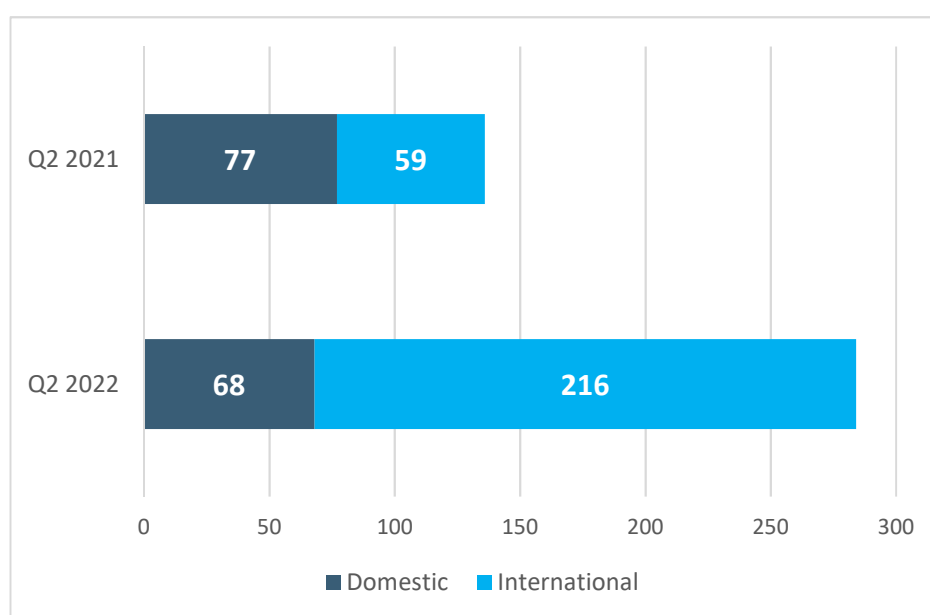


Figure 9: Number of intelligence reports disseminated in 2<sup>nd</sup> quarter by year

### 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>

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

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