

SEYCHELLES

FIU



20
21

ANNUAL REPORT

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**FINANCIAL
INTELLIGENCE
UNIT**

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List of Abbreviations

ACCS	Anti-Corruption Commission Seychelles
ACO	Alternate Compliance Officer
AFI	Alliance for Financial Inclusion
AGO	Attorney General's Office
AG's Office	Attorney General's Office
AML	Anti-Money Laundering
AML/CFT Act	Anti-Money Laundering and Countering the Financing of Terrorism Act
BDC	Bureau de Change
BO	Beneficial Owner
BO Act	Beneficial Ownership Act, 2020
BO Database	Seychelles Beneficial Ownership Database
CBS	Central Bank of Seychelles
CDD	Customer Due Diligence
CFT	Countering the Financing of Terrorism
COMESA	Common Market for Eastern and Southern Africa
CO	Compliance Officer
CTTR	Cash Transaction Threshold Report
DNFBPs	Designated Non-Financial Businesses and Professions
ECOFEL	Egmont Centre of FIU Excellence and Leadership
ESAAMLG	Eastern and Southern Africa Anti- Money Laundering Group
FATF	Financial Action Task Force
FCIU	Financial Crime Investigation Unit
FI	Financial Institutions
FIU	Financial Intelligence Unit
FSA	Financial Services Authority
goAML	goAML Web Application
IBC	International Business Company
ICSP	International Corporate Service Provider
IIC	Information & International Co-operation Division
KYC	Know Your Customer
LEAs	Law Enforcement Agencies

List of Abbreviations

LP	Legal Professionals
ME	Mutual Evaluation
MER	Mutual Evaluation Report
MFA	Ministry of Foreign Affairs
ML	Money Laundering
MOFEPT	Ministry of Finance, Economic Planning and Trade
MOIA	Ministry of Internal Affairs
MoU	Memorandum of Understanding
MVD	Motor Vehicle Dealer
M&A	Monitoring and Analysis
NAC	National Anti-Money Laundering and Combating the Financing of Terrorism Committee
NPO	Non-Profit Organization
NRA	National Risk Assessment
PF	Proliferation Financing
PPBB	Programme Performance-Based Budgeting
RAQ	Risk Assessment Questionnaire
REA	Real Estate Agent
RE	Reporting Entities
RFI	Request for Information
SIB	Seychelles Investment Board
SLA	Seychelles Licensing Authority
SMSA	Seychelles Maritime Safety Authority
SPF	Seychelles Pension fund
SRC	Seychelles Revenue Commission
STR	Suspicious Transaction Report
TAC	Technical Anti-Money Laundering and Combating the Financing of Terrorism Committee
TC	Technical Compliance
TF	Terrorist Financing
UNODC	United Nations Office on Drugs and Crime
VA	Virtual Asset
VASP	Virtual Asset Service Providers
WTTR	Wire Transfer Threshold Report

Submission of the Annual Report to the Minister Responsible for Finance



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April 7th, 2022

The Honorable Naadir Hassan
Minister for Finance, National Planning & Trade
Liberty House
Victoria,
Mahé,
Seychelles

Dear Minister,

In accordance with the provisions of section 24 of the Anti-Money Laundering and Countering the Financing of Terrorism Act, 2020, as amended, I am pleased to present to you the FIU's Annual Report for 2021.

The report outlines the activities of the FIU during the course of 2021 in the pursuit of its statutory remit and demonstrates that the FIU remains an integral part of national efforts to counter money laundering and the financing of terrorism and proliferation of weapons of mass destruction in order to safeguard the economic and social stability of our country's financial system.

Respectfully yours,

Mr. Richard Rampal
Director
Financial Intelligence Unit

VISION, MISSION VALUES

Vision Statement

To safeguard the financial system through adherence to international best practices and position Seychelles as a leading jurisdiction within the region in the fight against money laundering, terrorist financing and proliferation financing.



Mission Statement

To deter, detect and disrupt domestic and international money laundering, terrorism financing and proliferation financing through ensuring regulatory compliance, the development of high-quality intelligence reports, the enhancement of domestic and international cooperation.

Values

Professionalism; Justice; Accountability
Cooperation; Integrity; Mutual respect
Initiative; Confidentiality; Transparency.

NATIONAL AML/CFT COMMITTEE

In response to the findings of both the National Risk Assessment (“NRA”) and Mutual Evaluation Report (“MER”) in February 2019 the Minister responsible for Finance formally established the National Anti-Money Laundering and Countering the Financing of Terrorism Committee (“NAC”), Chaired by the Secretary of State of Finance to act as a platform for national cooperation and coordination on Anti-Money Laundering/Countering the financing of Terrorism (“AML/CFT”) matters. This platform regroups the Heads of 11 institutions which are indispensable to the value chain in combating money laundering (“ML”) and financing terrorism, as depicted in Fig 1.0 hereunder. To support the NAC in its mandate, a Technical Committee comprising of technical experts from the respective agencies was also formed.

The Ministry of Internal Affairs, represented by the PS, has under its portfolio the Police, Immigration and Civil Status, all playing a key role in the AML/CFT framework. As a single body, the ministry further facilitates effective coordination between members as it relates to sharing of information and enforcement, further contributing to an effective AML/CFT regime.

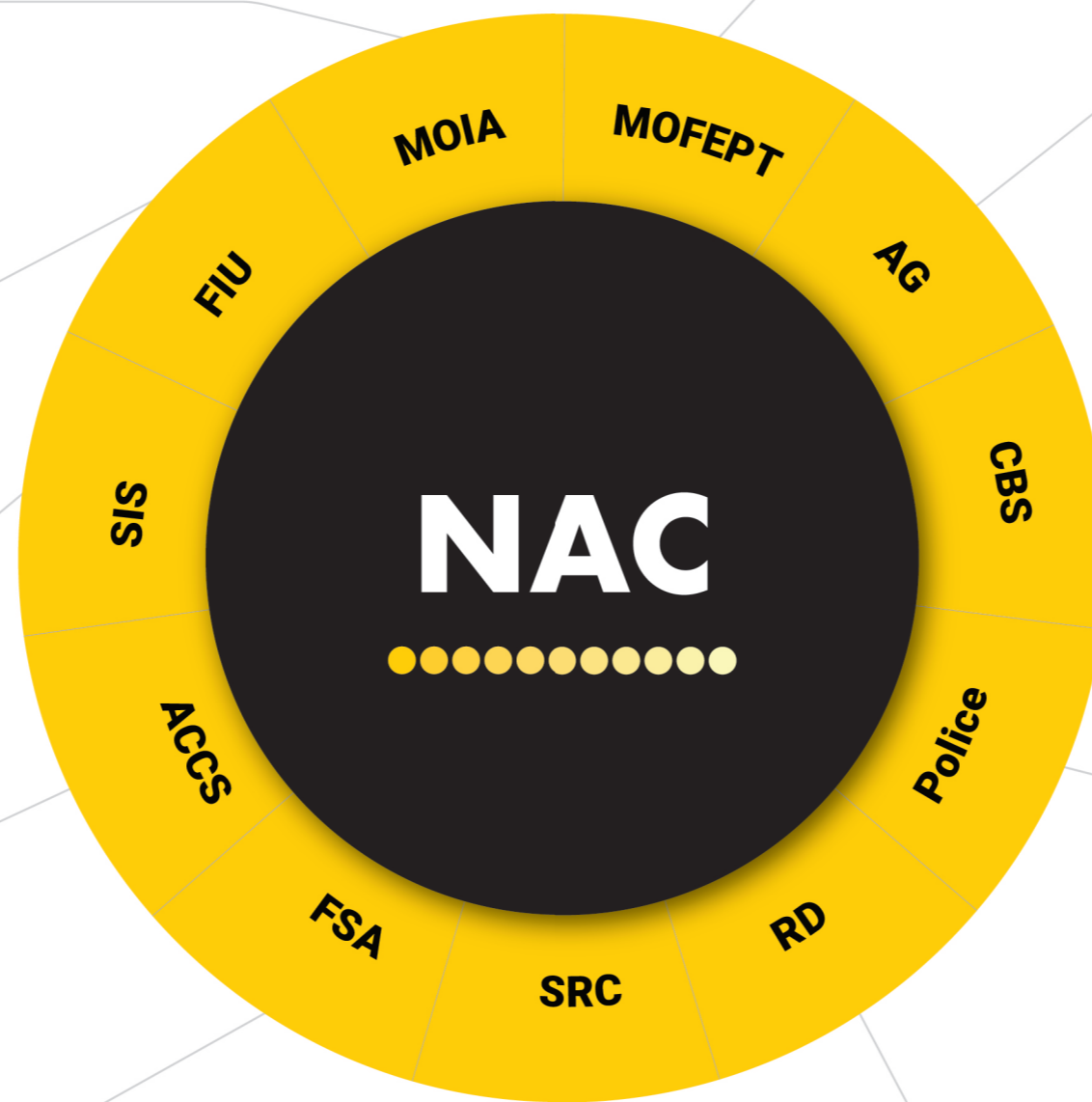
The FIU plays a key role as the national centre for receipt and analysis of suspicious transaction reports and other information relevant to ML, associated predicate offences and terrorist financing (“TF”) and for the dissemination of the results of that analysis. The FIU also has the responsibility for supervision of DNFBPs and acts as the Secretariat of the Committee.

The Seychelles Intelligence Service plays a key role in coordinating and regulating intelligence through provision of information on matters concerning the security of Seychelles including ML and TF.

The ACCS is a law enforcement agency tasked with the mandate to investigate, detect and prevent corrupt practices that may include some elements of ML.

The FSA is the AML/CFT supervisor for all reporting entities under its regulatory ambit and the licencees specified in Part B of the first schedule to the AML/CFT Act as well as casinos and Trust and companies service providers. The FSA’s inputs are critical to establishing a comprehensive AML/CFT regime.

The Seychelles Revenue Commission plays a critical role in combating ML/TF while working the cross-border movement of goods and people. In addition, the tax authorities have access to important tax information that can support analysis and investigations into ML and even TF offenses.



The Committee is Chaired by the Principal Secretary of in the Ministry of Finance, Economic Planning and Trade.

The AG is the highest-ranking law enforcement official in Seychelles and as such is the driving force in pursuing prosecutions of criminal offences to include ML/TF and related offences. In addition, the AG provides the necessary leadership concerning drafting AML/CFT legislation and regulations spearheading Seychelles commitment to meet its international obligations.

The Central Bank of Seychelles plays a key role in the fiscal stability of the country and also acts as the AML/ CFT supervisor for most of the financial institutions operating in Seychelles.

The Seychelles Police force with its specialised units such as the FCIU and the ANB investigates proceeds generating crime to include ML/ TF.

The Registration Division plays a key role in providing civil and administrative services on behalf of the government and is a key stakeholder in contributing to an effective AML/ CFT regime through the registration of companies and associations that can be used to launder criminal proceeds.



Director's Foreword

As we entered 2021, our second year of the Covid-19 pandemic and the associated multifaceted disruptions worldwide, it became abundantly clear that criminal elements were ready and willing to exploit disruptions to normal business processes and the reduced oversight. With the equivalent of about 2-5% of the world's gross domestic product (GDP) being laundered each year, it is also clear that more than ever anti-money laundering and countering the financing of terrorism measures remain top priorities. After all, money laundering and terrorist financing are not victimless crimes as they ultimately hinder economic growth, destabilize economies and are often intrinsically linked to the commission of other serious crimes, thus impacting every citizen.

Within this context, in 2021, the FIU remained robust and engaged to do its part to fulfill Seychelles' commitment to prevent the abuse of its jurisdiction by criminal elements seeking to launder money or to finance terrorism or proliferation.

FIU's operations is based on a culture of confidentiality and duty to protect the information that it acquires as espoused in legislation and internal practices and procedures. This means that our work is not exposed but our contribution to Seychelles' anti-money laundering and counter terrorism financing initiatives cannot be negated.

In 2021, the FIU recorded an all-time high receipt of suspicious transaction reports and a significant increase of cash transaction threshold reports from banks and the gambling sector compared to the previous years.



The FIU continued to foster constructive working relationships and collaborations with law enforcement agencies, supervisory and other competent authorities, both domestic and international. This annual report will highlight that the FIU continued to support domestic and international authorities by providing useful information

and actionable intelligence. We continued with our active participation in the work being done by the NAC and the TAC. The output highlighted in the report will reflect our tenacity to ensure that our efforts conform to international standards and best practices. The report comprises infographic data, analysis and the overall view of the frameworks and progress made.

In 2021, the FIU pursued the development of its administrative structure and resources to fulfill its statutory mandate. The Information and International Co-operation Division ("IIC Division") was created as a specialised division to handle all domestic and international exchange of information as well as to create a centralised database for the keeping of FIU statistics. 2021 also saw the launch and implementation of the Seychelles BO database which heralds a new era of corporate transparency and supports the integrity of the financial sector and law enforcement efforts. We keep pushing forward to expand our technical and overall capacity to cater for the increased intelligence and reports received by the FIU.

Engaging with the public and reporting entities on anti-money laundering/terrorism financing preventive measures and BO Act obligations was also an area of focus in 2021. We recognise that much work remains to be done in terms of outreach and awareness and

to address this next year.

Looking ahead, the FIU remains committed to protect the community from growing new trends of illicit financial activities aimed at vulnerable communities and groups. This shall be achieved by improving collaboration with law enforcement agencies, gathering necessary statistics to aid policy decisions and focus on guaranteeing the effectiveness of technical measures put in place.

To conclude, I would like to unreservedly thank all members of our team who have helped the FIU to achieve its objectives in the year 2021 through their determination and dedication. I would also like to thank our partners both nationally and internationally, that is working alongside the FIU to tackle money laundering and terrorism financing and safeguard the financial system. The task is enormous and continuous but so is our resolve and commitment to effectiveness and results!

Richard Rampal
Director of the FIU

INFORMATION 1

What is Money Laundering?

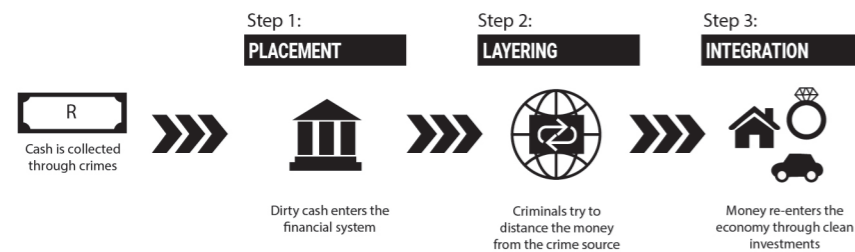
The goal of a large number of criminal acts is to generate a profit for the individual or group that carries out the act. Money laundering is the processing of these criminal proceeds to disguise their illegal origin. This process is of critical importance, as it enables the criminal to enjoy these profits without jeopardising their source.

Illegal arms sales, smuggling, and the activities of organised crime, including for example drug trafficking can generate huge amounts of proceeds. Embezzlement, insider trading, bribery and computer fraud schemes can also produce large profits and create the incentive to "legitimise" the ill-gotten gains through money laundering.

When a criminal activity generates substantial profits, the individual or group involved must find a way to control the funds without attracting attention to the underlying activity or the persons involved. Criminals do this by disguising the sources, changing the form, or moving the funds to a place where they are less likely to attract attention.



HOW DIRTY MONEY IS LAUNDERED Typical Money Laundering Scenario



Penalties for money laundering in Seychelles

According to the AML/CFT Act 2020, a person guilty of money laundering is liable on conviction to a fine not exceeding SCR5,000,000 or to imprisonment for a term not exceeding 15 year or both. Whereas a person other than a natural person guilty of money laundering is liable on conviction to a fine not exceeding SCR10,000,000.

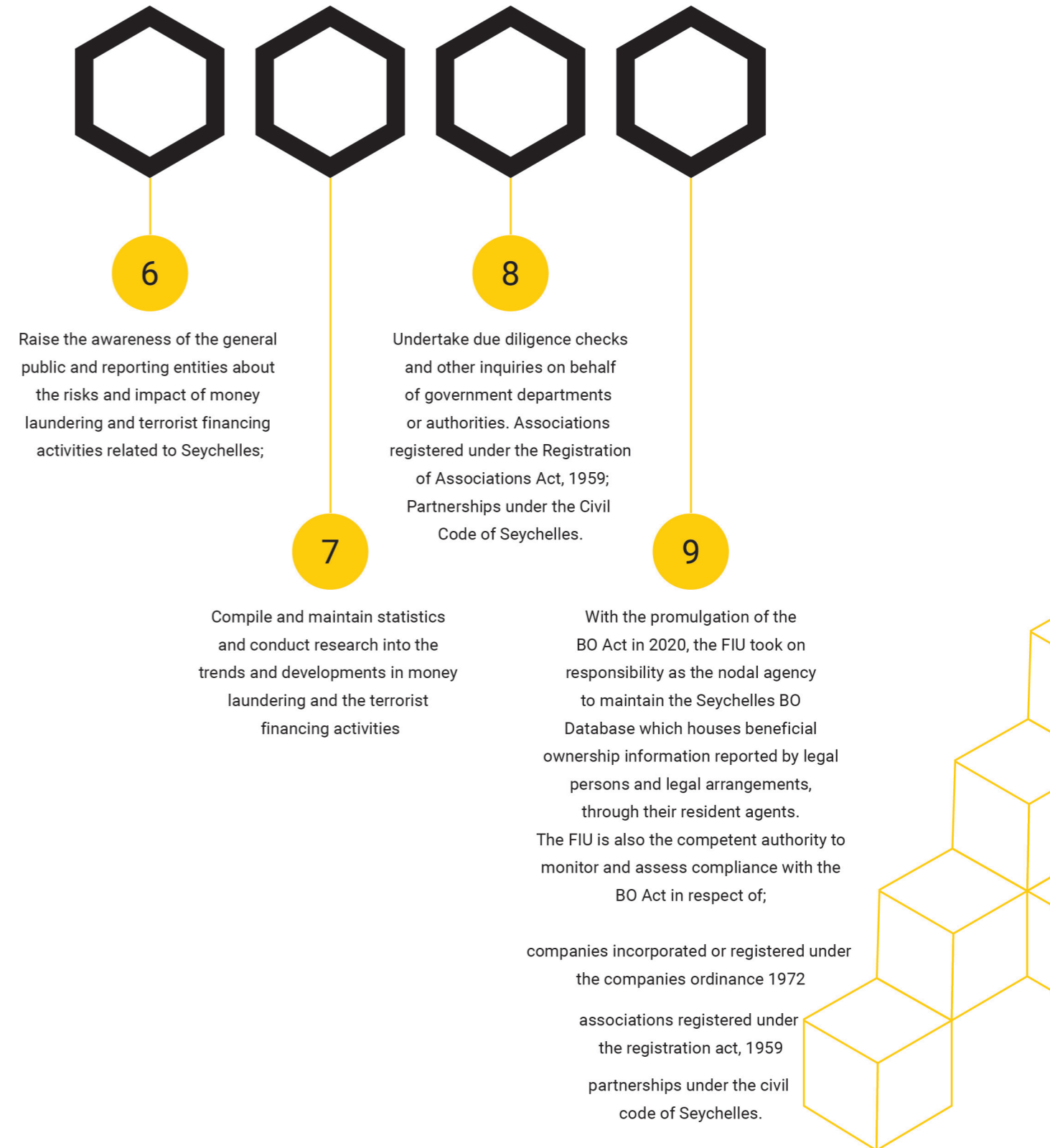
Overview of the **FIU**

About FIU Seychelles

In line with Recommendation 29 of the FATF's International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation, countries are required to establish a FIU tasked with the core function of receipt, analysis of (a) suspicious transaction reports; and (b) other information relevant to money laundering, associated predicate offences and terrorist financing, which are required by national legislation (such as cash transaction reports, wire transfers reports and other threshold-based declarations/disclosures) and disseminations of the results of such analyses. In Seychelles, the FIU was first established in June 2006.

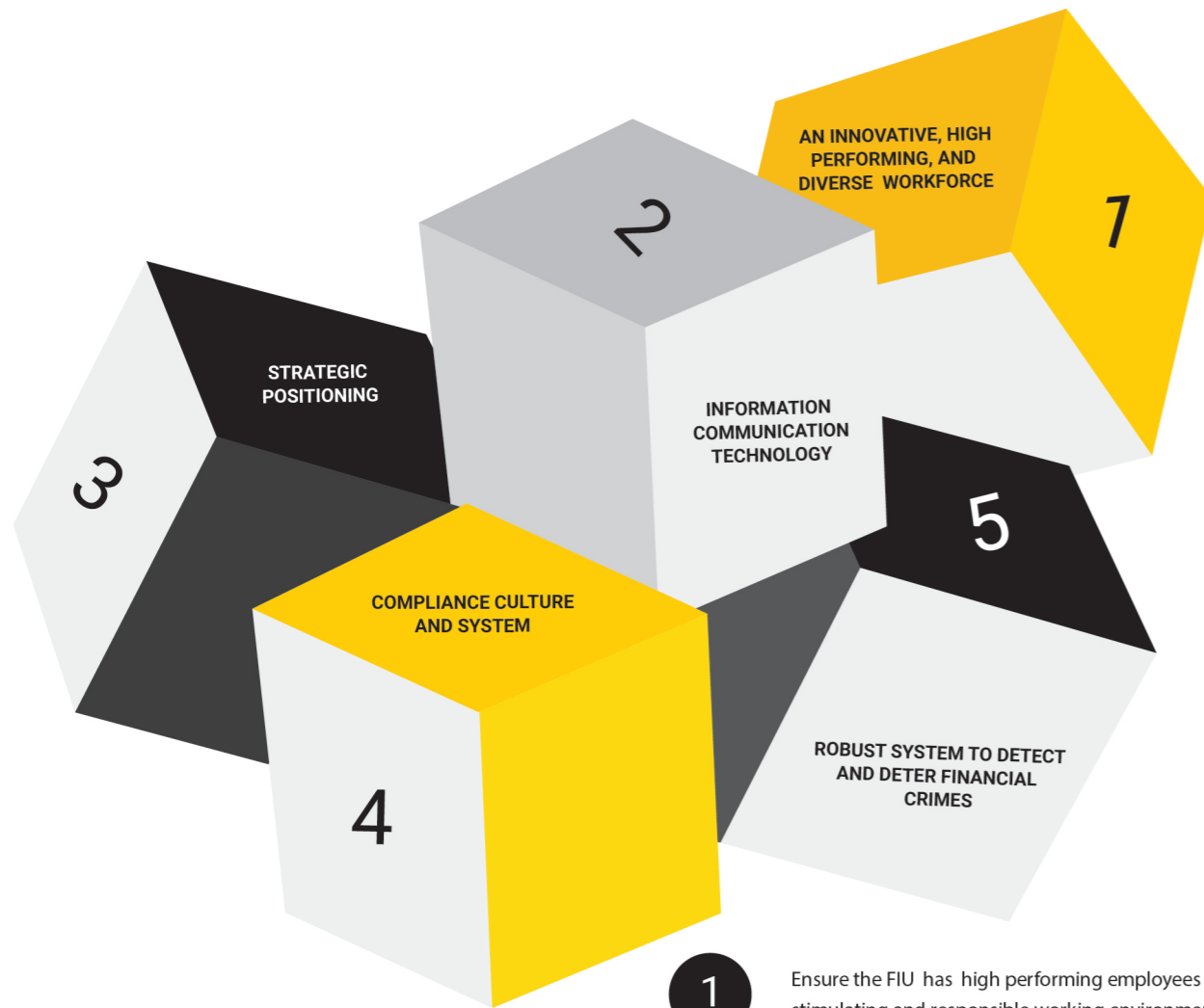


As an administrative FIU, the Seychelles FIU's powers are limited to the receipt, analysis, and dissemination of suspicious transaction and other reports, it does not have investigative or prosecutorial powers and it operates as an interface between the financial sector (and, more generally, entities and professionals subject to reporting obligations) and the law enforcement authorities in charge of financial crime investigations and prosecutions. In addition to its core monitoring and analysis function, the FIU is also tasked with supervision, compliance and prevention as well as informational cooperation and data exchange. Sections 13 and 27 of the AML/CFT Act 2020 sets out comprehensively the functions of the FIU. More specifically, the FIU's functions are to:



Strategic Priorities

The FIU remains committed to aligning its strategies with its vision and mission. The 2020-2022 strategic priorities hinges on the recommendations of the NRA, Mutual Evaluation Report (“MER”) and Organisation for Economic Cooperation and Development (“OECD”) Peer Review, and the FATF Standards in particular Immediate Outcome six (6) which relates to the effectiveness of the financial intelligence units. To achieve these strategic objectives for the 3 years period, particular focus will be placed on the five (5) strategic pillars and strategic objectives illustrated below:



- 1 Ensure the FIU has high performing employees operating in a stimulating and responsible working environment
- 2 Develop and implement ICT plans to support the FIU to fulfil its regulatory and operational mandate
- 3 Actively engage all stakeholders to build meaningful partnership and re-position the FIU as a leading AML/CFT Regulator
- 4 Implement oversight and supervision of the designated non-financial businesses professions in strict compliance with international standards.
- 5 Strengthen the FIU's financial intelligence products to assist domestic and international authorities to detect, deter, and prosecute financial crimes.

INFORMATION 2

Case # 1

The Financial Intelligence Unit (“FIU”) received a Suspicious Transaction Report (“STR”) from Bank A on October 29th, 2020 pertaining to Mr. X, a lawyer.

From the STR received, the FIU identified that Mr. X made two substantial cash deposits of value SCR 450,000 and SCR 300,000 to his instant savings account held with Bank A on January 29th, 2020 and April 14th, 2020 respectively. Mr. X claimed to Bank A that the deposit of SCR 450,000 pertained to a promise of sale for an immovable property. Furthermore, for the cash deposit of SCR 300,000 there was no reason given by Mr. X regarding the source or origin of the funds for the transaction. It is to be noted that the required supporting documents such as promise of sale and source of funds for both cash deposits were not submitted by Mr. X to Bank A to support the transactions.

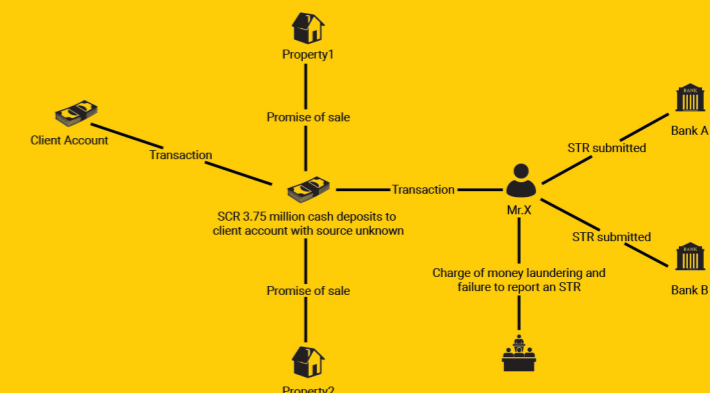
The FIU contacted Bank A on November 27th, 2020 requesting that they obtain the supporting documents for the transactions from their client, however Bank A replied that they failed to receive a response from the client.

In 2021, the FIU disseminated the results of its analysis to the Seychelles Police for law enforcement purposes. Subsequently, Mr. X was officially charged with money laundering and failure to submit an STR.

Mr. X is known to the FIU, having previously, in 2018, been the subject of 3 STRs received from another local bank, Bank B, in which he was involved in a similar activity in which a total of approximately SCR 3 million cash was deposited on his client account. The FIU disseminated a financial intelligence report for further investigation to the Seychelles Police in 2018 indicating that it had reasonable grounds to believe that Mr. X was using his client accounts to facilitate money laundering, through property transactions.

Typology and red flags taken into consideration:

- Previous subject of suspicious transaction reports
- large cash transaction with no supporting rationale
- missing documentation to be expected from a legitimate business transaction
- evasive/unwillingness to provide additional information to reporting entity
- illogical business activity/manner of execution-transfer into personal savings account



Organisational Structure

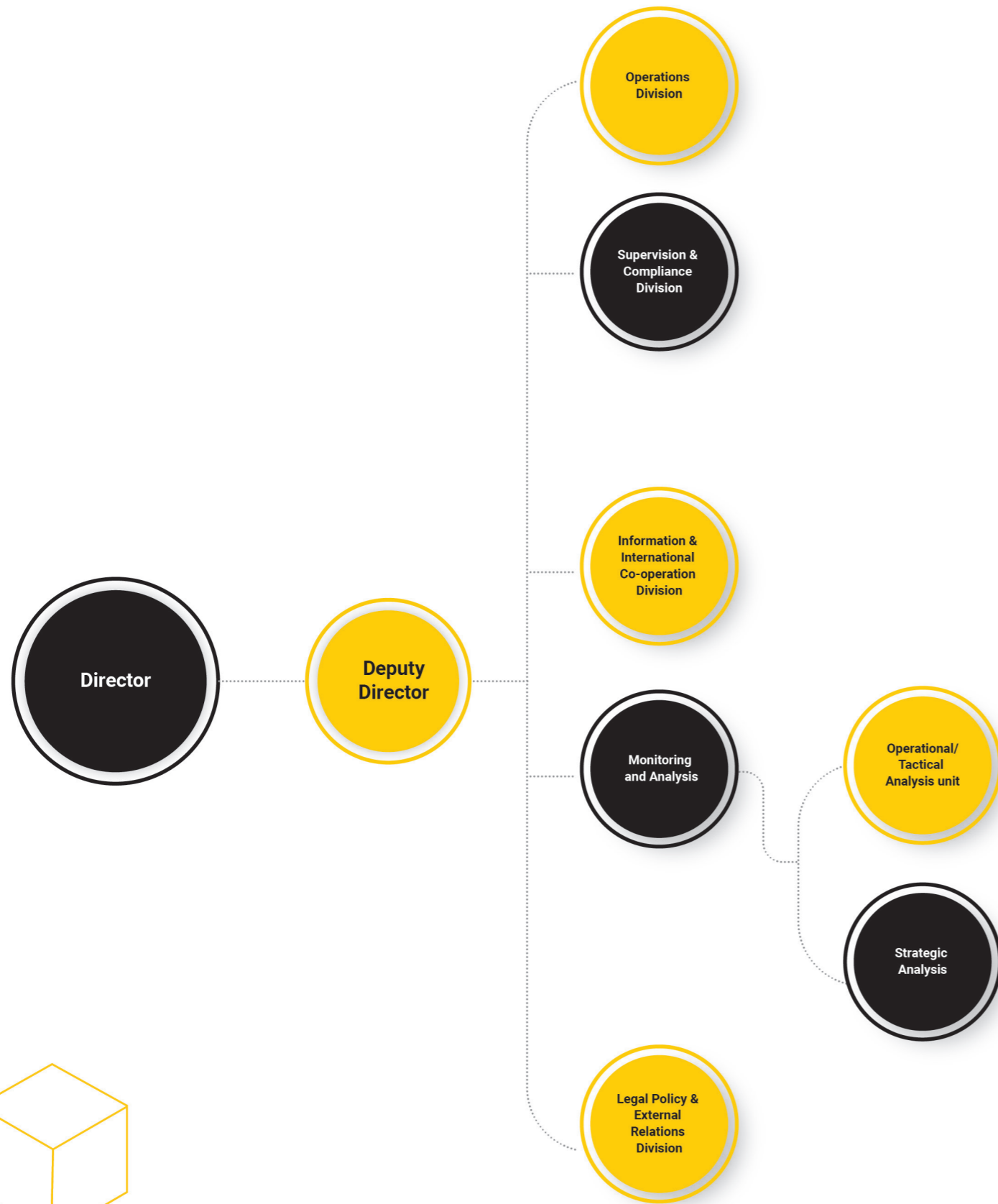


Fig 1: Organisational Structure of the FIU in 2021

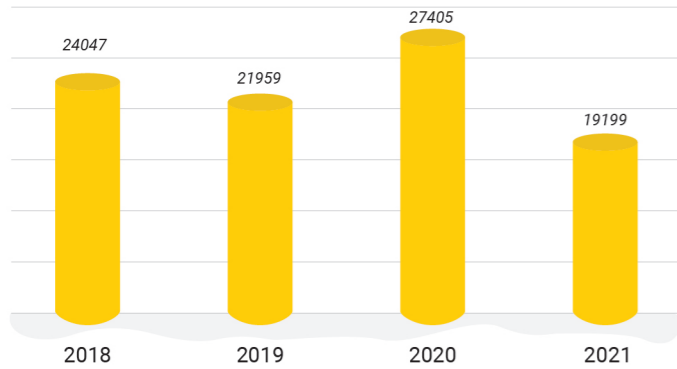
Division	Function
Operations	This Division provides operational support for the execution of the FIU's work. Its primary functions include those of office management, financial and administrative management, human resources management learning and development, security services and information communication technology
Supervision & Compliance	This Division is responsible to monitor and carry out inspections of reporting entities under the supervisory purview of the FIU both through on-site and off-site desk-based supervision to assess compliance with the AML/ CFT Act. It also supervises compliance of the legal persons and legal arrangements specified in Part A of the first schedule of the BO Act, to their obligations under the Act. This Division also develops and provide guidance to reporting entities on their obligations under the AML/ CFT and BO Acts and manages due diligence checks.
Information & International Co-operation Division	This Division is responsible to handle all domestic and international exchange of information as well as to create a centralized database for the keeping of FIU statistics. It is also currently responsible for maintaining and providing access to the BO database.
Monitoring & Analysis Division	<p>In accordance with Section 28(5) of the AML/CFT Act, the FIU's analysis function has 2 components, as such this Division is divided into 2 units, each with their own area of focus</p> <p>(i)Operational and Tactical Analysis ("OPTAC") Unit</p> <ul style="list-style-type: none"> - Analysis of STRs - Produce financial analysis reports; - Dissemination of Intelligence Reports to domestic LEAs involved in the fight against ML and TF <p>(ii)Strategic Analysis Unit</p> <ul style="list-style-type: none"> - Trends and Patterns Analysis; - Threshold reporting.
Legal, Policy & External Relations	Responsible to protect and advance the interests of the FIU by providing legal advice, support and analysis to other divisions. The division is also responsible for enforcement actions, research, drafting policies and reports related to AML/CFT matters and FIU functions. It manages the relationships with domestic stakeholders, regional bodies and international partners on AML/CFT matters.

YEAR IN REVIEW

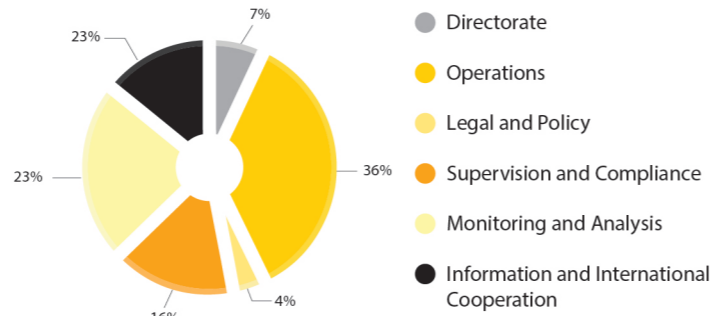
Suspicious Transaction Reports Top 4 reporting entities



Allocated Budget 2018-2021 ('000)



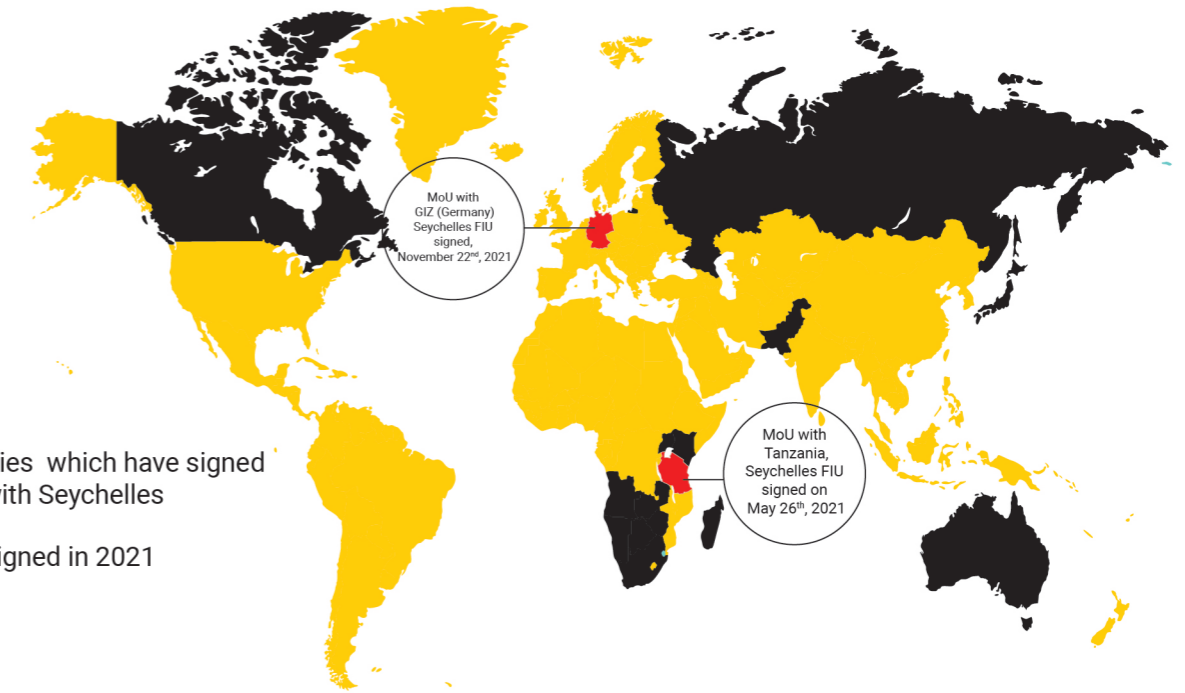
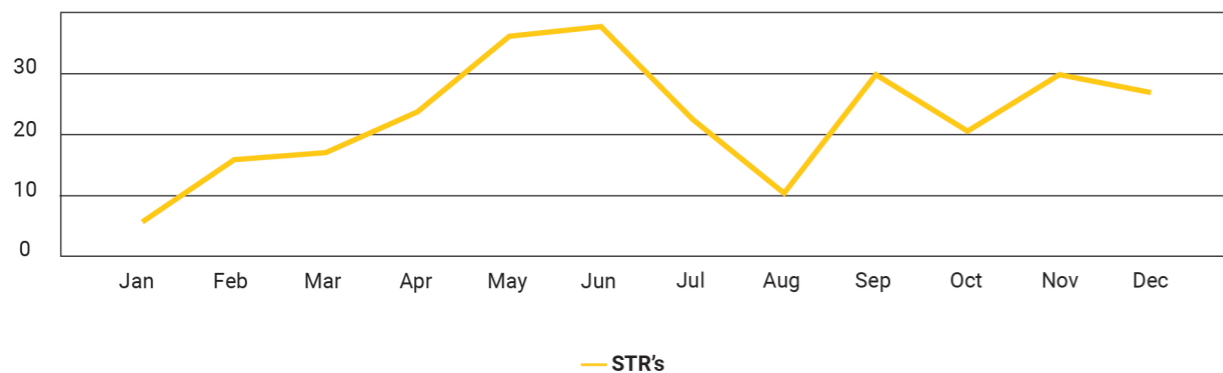
FIU Employees



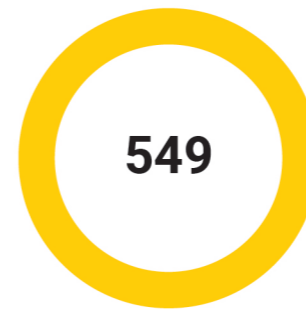
Beneficial ownership and beneficial ownership database

Pursuant to the provisions of section 13 of the BO Act, the FIU has been designated as the nodal agency to maintain the BO Database. All legal persons and legal arrangements specified under section 2 of the BO Act are required to populate their BO information, through their resident agents, on the BO Database. The BO Database, was launched for the non-domestic sector on July 5th, 2021.

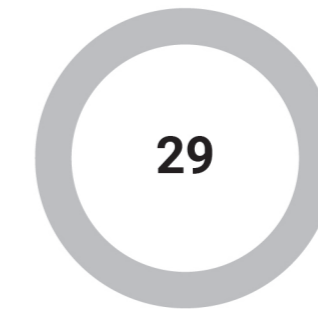
Received per Month (2021)



Supervision & Compliance



Background Checks applications

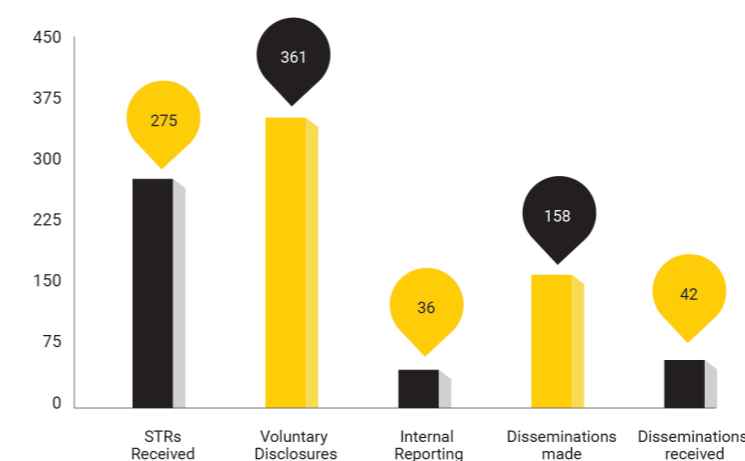


Directives issues to Reporting Entities

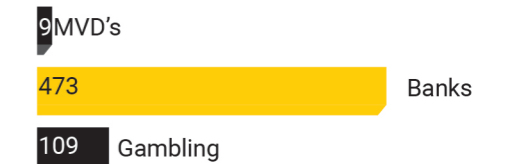


Conducted offsite interviews with all high risk entities

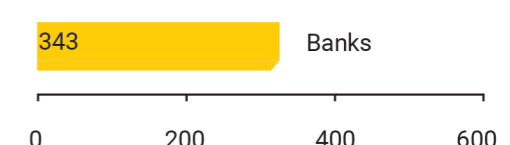
Comparative view of total STRs, Disclosures and Disseminations made to the FIU



Cash Threshold Report



Wire Threshold Report



INFORMATION 3

Appointment of compliance officer

A compliance officer is the principal figure responsible for overseeing the effective development and implementation of internal AML/CFT programs and processes within a RE to ensure compliance with the AML/CFT Act and related regulations, guidelines and directives.

Every reporting entity shall appoint a Compliance Officer within 30 days from coming into force of the AML/CFT Act or beginning of business operations.

A reporting entity which fails or neglects to appoint a compliance officer within a period of 30 days from the date of coming into force of the AML/CFT Act, or commencement of its operations, commits an offence, and is liable on conviction to a fine not exceeding SCR200,000

According to the AML/CFT Act the compliance officer appointed shall-

- (a) Be a senior official at management level as an alternate compliance officer, with the approval of the supervisory authority to act in the absence of a compliance office.
- (b) Be a resident of Seychelles.

The compliance officer is responsible, inter-alia, to-

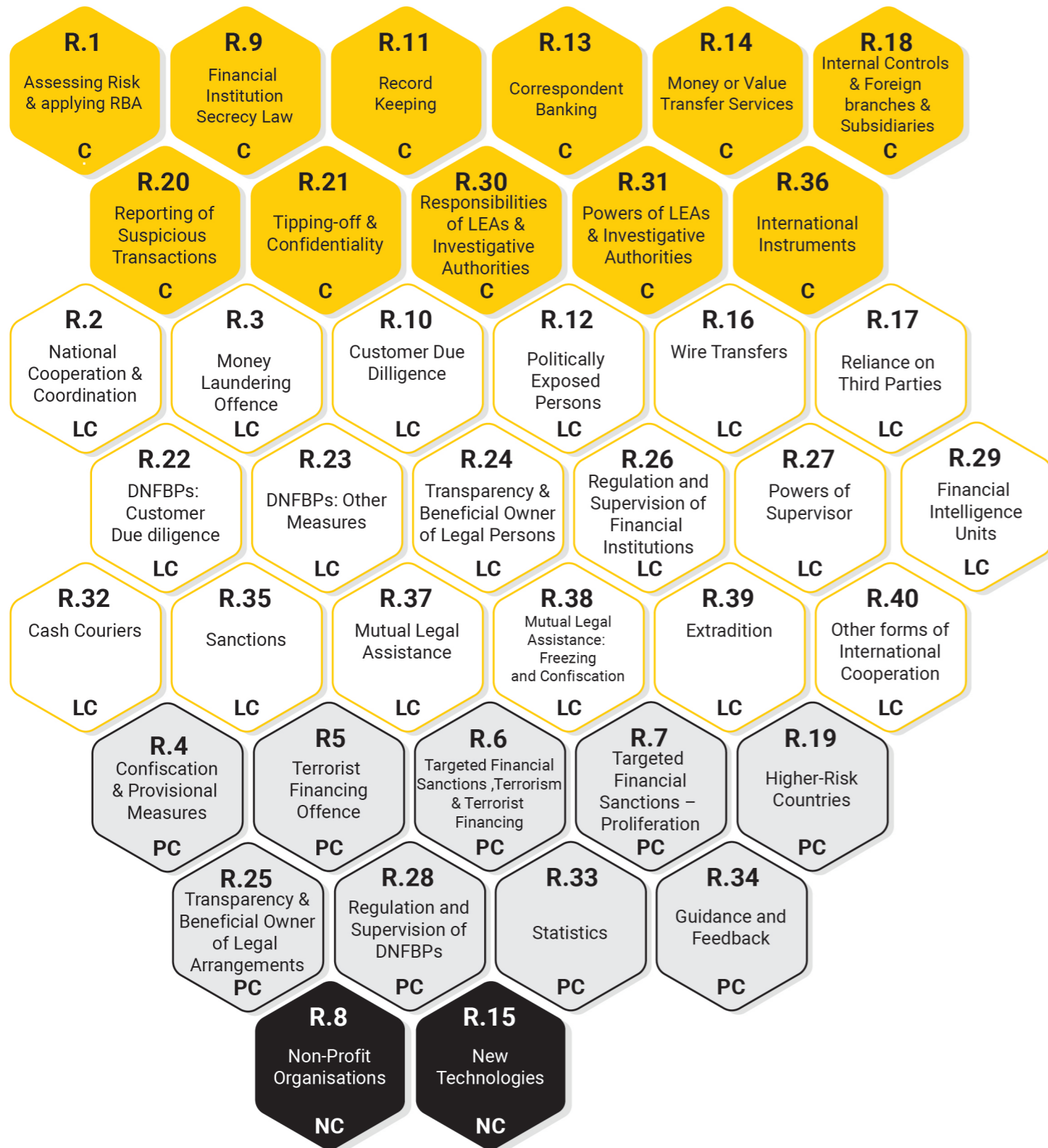
- (c) implement and ensure on-going compliance of the reporting entity's internal programmes, controls and procedures in relation to its business with the requirement of the AML/CFT Act.
- (d) ensure that the staff of the reporting entity comply with the provisions of the AML/CFT Act and any other law relating to money laundering and terrorist financing activities.
- (e) be familiar with the provisions of the guidelines that may be issued by the FIU and the relevant supervisory authority.
- (f) have unrestricted access on demand to all books, records and employees of the reporting entity as may be necessary to fulfill his or her responsibilities.
- (g) receive and review reports of suspicious transactions, or suspicious activities made by the staff of the reporting entity and, if sufficient basis exists, report the same to the FIU in accordance with the AML/CFT Act and
- (h) act as liaison officer between the reporting entity, the supervisory authority, and the FIU in the matters relating to money laundering, and terrorist financing activities and for compliance with the provisions of the AML/CFT Act.



A Journey to higher
standards

A Journey to higher standards-strengthening Seychelles' AML/CFT framework

Fig 2 : Technical compliance with FATF recommendation



Since the AML/ CFT framework of Seychelles was last assessed against the FATF Methodology in 2017 when several technical and strategic deficiencies were cited, Seychelles has made significant strides in addressing these deficiencies. The FIU in collaboration with other relevant stakeholders has been actively engaged in advocating for and working towards reforms to the legal and regulatory framework and remediating the technical deficiencies and limitations identified in Seychelles' AML/ CFT framework. As a result, and in consideration of the progress made by Seychelles, in September 2021 its technical compliance with the FATF Recommendations was revised by the ESAAMLG as shown in Fig 2 and Table 1.

Recommendation	2020 Rating	2021 Rating
2	PC	LC
7	NC	PC
16	PC	LC
35	PC	LC
37	PC	LC
38	NC	LC
39	PC	LC

C : Compliant, LC : Largely Compliant, PC : Partially Compliant, NC : Non-Compliant

Table 1: Details of Technical compliance re-ratings

Seychelles remains non-compliant for Recommendation 8 and Recommendation 15 and the FIU and the other relevant competent authorities have already set out action plans for 2022 to address the technical deficiencies and improve these ratings at the next re-rating opportunity in 2023. In 2021, much focus was placed on strengthening the legislative framework and addressing the concerns raised by reviewers from the ESAAMLG.



INFORMATION 4

REPORTING THRESHOLD UNDER AML ACT, 2020

1. REPORTING THRESHOLD FOR CASH TRANSACTIONS

Every reporting entity shall report each transaction that is carried out by or through it involving cash transactions of SCR 50,000 or more or the equivalent money in the currency of other countries.

2. REPORTING THRESHOLD APPLICABLE TO WIRE TRANSFERS

Every reporting entity shall report each wire transfer that is executed of SCR50,000 or more or the equivalent money in the currency of other countries.

Legislation

For this reporting period, the following legislations were reviewed and amended:



- 1 The Anti-Money Laundering and the Countering the Financing of Terrorism Act, 2020 resulting in the enactment of the Anti-Money Laundering and the Countering the Financing of Terrorism (Amendment) Act, 2021 and the Anti-Money Laundering and the Countering the Financing of Terrorism (Second Amendment) Act, 2021
- 2 The Beneficial Ownership Act, 2020, resulting in the Beneficial Ownership (Amendment) Act, 2021
- 3 The Prevention of Terrorism Act (Cap. 179) resulting in the enactment of the Prevention of Terrorism (Amendment) Act, 2021 and the Prevention of Terrorism (Second Amendment) Act, 2021
- 4 The Criminal Procedure Code (Cap. 54) resulting in an amendment to Section 153B
- 5 The Licenses Act, (Cap.113) resulting in the enactment of the Licenses (Amendment) Act, 2021
- 6 The Anti-Corruption Act, 2016, resulting in the enactment of the Anti-Corruption (Amendment) (No.3) Act, 2021 (Ref Annex 9)

The Prevention of Terrorism (Implementation of United Nations Security Council Resolutions on Suppression of Terrorism) (Amendment) Regulations, 2021 and the Prevention of Proliferation Financing Regulations, 2021 were 2 subsidiary legislations that came into operation in 2021. Moreover, the Custody, Management and Disposal of Seized, Forfeited or Confiscated Properties Act, 2021 aimed at strengthening the legal framework for an effective asset management regime that efficiently meets the needs of all stakeholders and renders Seychelles compliant with international standards was enacted.

3. REPORTING THRESHOLD APPLICABLE TO GAMBLING SECTOR

All licensees within the gambling sector shall report all transactions of its customers involving SCR20,000 or more.

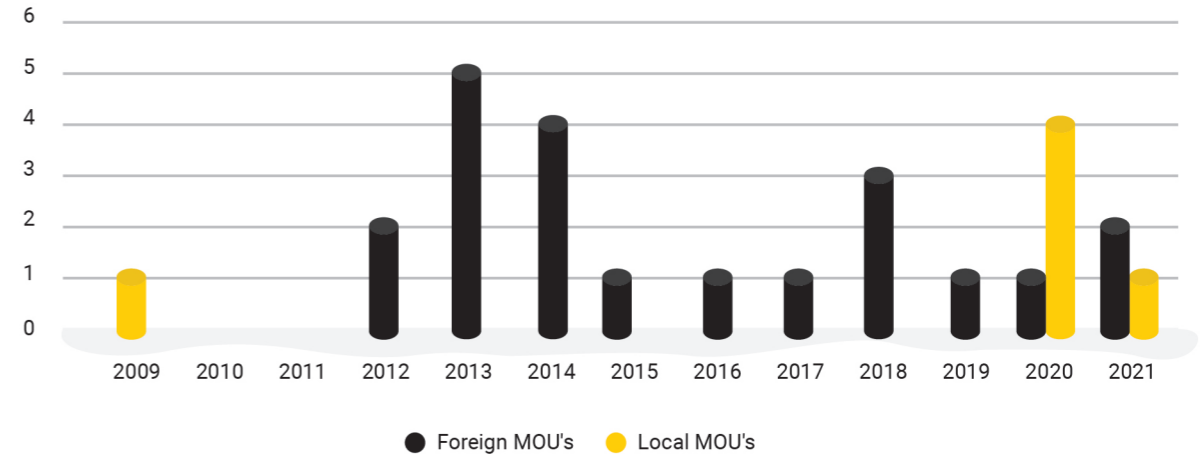
4. REPORTING THRESHOLD APPLICABLE TO BUREAU DE CHANGE

Every Bureau de Change shall report all transactions of its customers involving SCR 5,000 or more or the equivalent money in the currency of other countries.



Memorandums of understanding (MOU)

The FIU has signed a total of 20 International MOUs and 7 Domestic MOUs from the year 2009 – 2021. In 2021, the FIU signed one new domestic MOU and two new international MOUs. Below is the number of MOU's signed both locally and internationally:



Graph 1: MOUs signed from the year 2009- 2021

New Domestic MOU

The FIU and the Seychelles Maritime Safety Authority (SMSA) signed and MOU on the - 29th December, 2021. Through this MOU, the Authorities aim to strengthen cooperation and implement an effective framework to exchange information to perform their respective statutory functions. The cooperation and exchange of information that the MOU fosters will allow for effective and efficient use of the Authorities' power, resources, information and intelligence to disrupt ML/TF/PF associated crime networks and protect the maritime industry from abuse as well as ensure compliance with best international maritime standards and protocols.

New International MOU

- 1 The FIU of the United Republic of Tanzania and the Seychelles FIU signed an MOU on May 26th, 2021. The MOU set the framework for cooperation in the exchange of Financial Intelligence related to money laundering, terrorism financing, proliferation of weapons of mass destruction, and associated predicate offences.
- 2 Seychelles FIU signed the MOU between the Eastern and Southern African Anti-Money Laundering Group (ESAAMLG)FIUs, ESAAMLG Secretariat and the GIZ to develop FIUs information exchange on November 22nd, 2021. Areas of cooperation included AML/CFT laws and policies, information and communication and networking.

Amendment to MOU and service standard agreement (SSA)

FATF Recommendation 28 requires that necessary measures are taken to prevent criminals or their associates from holding or being the beneficial owner of a significant or controlling interest or holding a management function in DNFBNs. In 2021, an amendment was made to the Licenses Act (Cap .113) which provides that the SLA shall before issuing a license to a DNFBN applicant, verify the criminal records of the applicant and associates. It is only subject to satisfactory verification that any professional accreditation or license will be issued. As a result, the FIU will in line with Section 27 (o) of the AML/CFT Act, substantially support the SLA by engaging its resources to undertake due diligence checks prior to the issue of any of the above-referred licenses. This was formalized through an amendment to the authorities' existing MOU so as to improve coordination.

Additionally in 2021 a Standard Service Agreement ("SSA") was executed by the two authorities setting out the service standards to be followed, for the due diligence and background checks carried out by the FIU in respect of applications for licenses submitted to the SLA.

INFORMATION 5

CASE #2

In March 2021, 5 motor vehicles and 4 high-speed boats were seized as a result of a financial intelligence analysed, collated and disseminated by the FIU to the Seychelles Police in February 2021.

This follows an enquiry and analysis initiated by the FIU on the basis of information disclosed to it in 2020 pertaining to a Seychelles national, who was suspected of being involved in drug trafficking activities, and who had acquired several assets namely high-powered speedboats and several motor vehicles from the proceeds of drug trafficking. The subject, Mr. Y, was also an ex-convict, who was convicted on drug trafficking related charges, and released from prison in 2017.

On receipt of the report, the FIU developed information that indicated that Mr. X and his wife, Mrs. XY opened two personal and two business accounts with local Bank B. Analysis of these accounts revealed sizeable amounts of cash were deposited which did not match the declared source of funds of the subject and his spouse. A pattern whereby Mrs. XY would make cash deposits on the business accounts associated to Mr. X, and which was shortly followed by a transfer to Mr. X's personal account as 'salary' was also observed.

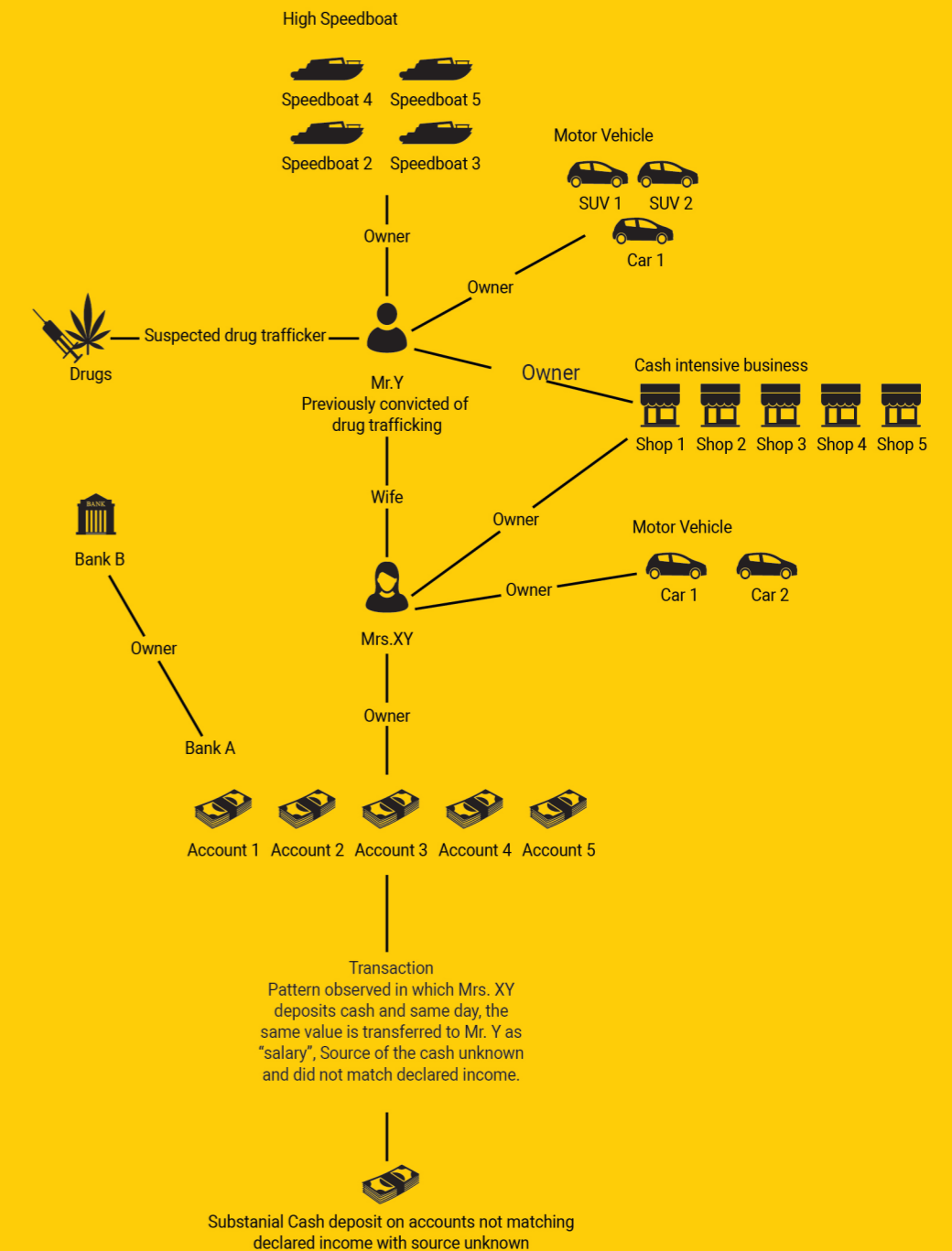
The FIU concluded that cash being deposited on Mr. X's personal and other associated accounts did not reflect his declared income. In addition, Mr. X also owned several high-speed boats and motor vehicles which were also suspected of being acquired with the proceeds of crime. Further analysis revealed that to give cash a plausible origin the couple had registered five businesses including two barber shops.

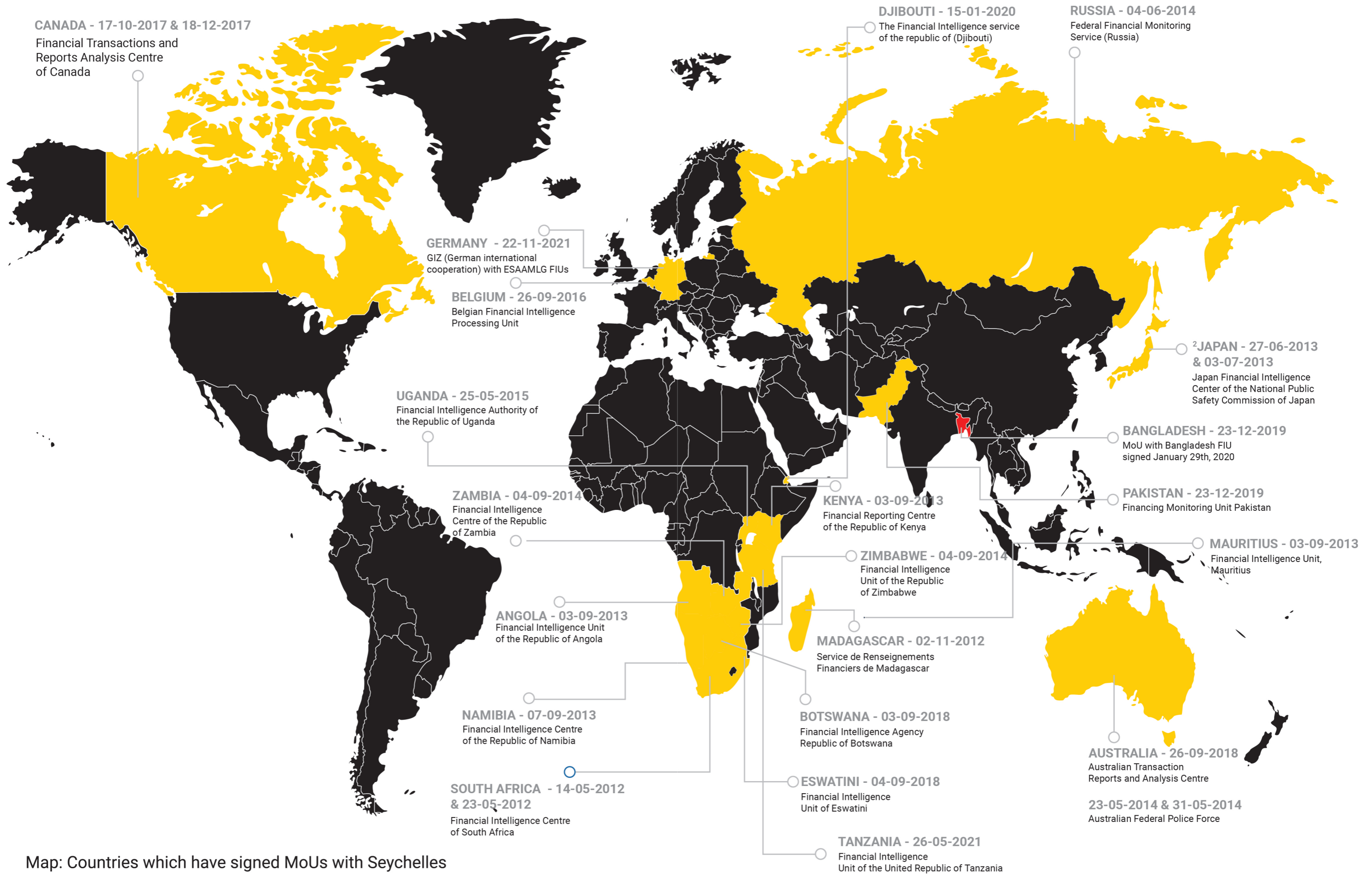


There is in fact, a discerned modus operandi of perpetrators operating cash intensive businesses, such as barber shops to launder cash and legitimize proceeds from illicit criminal activities.

Typology and red flags taken into consideration:

- Relationship to previous criminal activities
- multiple repeat movement of funds between accounts
- commingling of funds between personal and business accounts
- unrealistic business turnover/ wealth inconsistent with client profile





Map: Countries which have signed MoUs with Seychelles

²Japan: Letter of undertaking

INFORMATION 6

Case #3

The FIU received intelligence that an individual identified as Mr. N, was making numerous atypical movement of funds to his personal accounts held with local banks T and Z.

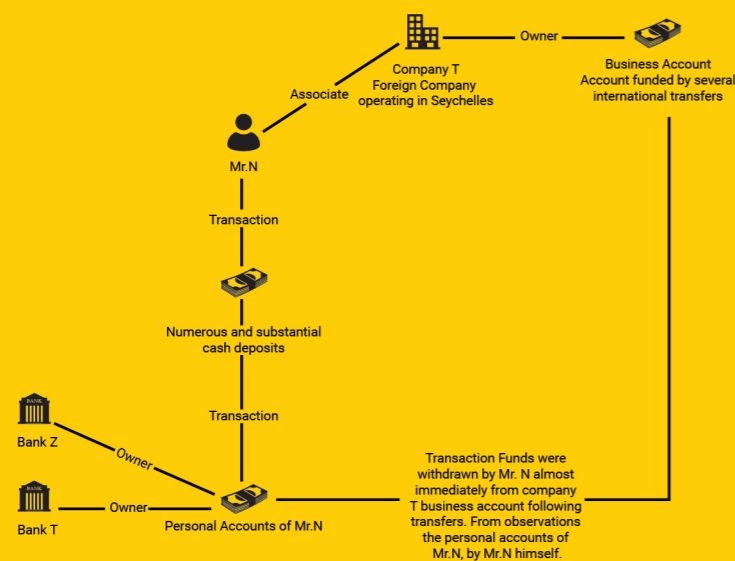
The FIU conducted analysis on the respective accounts and confirmed that in fact the personal accounts of the subject were being credited with several significant cash deposits. The FIU confirmed from bank account opening documents that the subject was employed by a foreign company operating in Seychelles, Company T.

It was determined that Company T held accounts in Seychelles which were funded by substantial transfers which were then withdrawn by Mr. N almost immediately. Analysis unveiled that the funds were then deposited on the personal accounts of Mr. N, by Mr. N himself.

The FIU disseminated its findings to the Seychelles Revenue Commission ("SRC") which resulted in an independent investigation, which resulted in the identification of under-declared assessable and potential taxable income. Additionally, the FIU also forwarded the case to the Seychelles Police as there were also suspicion that the case may involve stealing from Company T by Mr. N. Furthermore, there were also reasonable grounds to suspect that Mr. N and Company T may be involved in human trafficking based on payroll data obtained pertaining to Company T.

Indicator:

- atypical fund movement within accounts not in line with client profile
- large and/or rapid movement of funds
- multiple amounts paid into personal accounts without explanation
- under-declaration of income to SRC



i

Receipt, Analysis and Dissemination of information

Receipt, Analysis and Dissemination of Information

Table 2 provides a summary of reports and disseminations made to the FIU for the year 2021.

	2020	2021
STRs Received	263	275
Voluntary Disclosures	138	361
Internal Reporting	9	36
Domestic & International Disseminations made	114	158
Domestic & International Disseminations received	51	42

Table 2: Comparative view of total STRs, Disclosures and Disseminations made to the FIU

Suspicious transaction reports (STRs)

If a financial institution suspects or has reasonable grounds to suspect that funds are the proceeds of a criminal activity, it is required to promptly report its suspicions to the FIU. The FIU receives STRs and other reports from local entities and individuals which are submitted either electronically or through physical means. Voluntary disclosures can be made to the FIU through written forms, meetings, emails or telephone. In fulfilling its core mandates as espoused by FATF Recommendation 29, the FIU is committed to taking all necessary measures to ensure that at all times it maintains the utmost level of confidentiality of information it receives, analyses and intelligence disseminated.

STRs Prioritization Factors

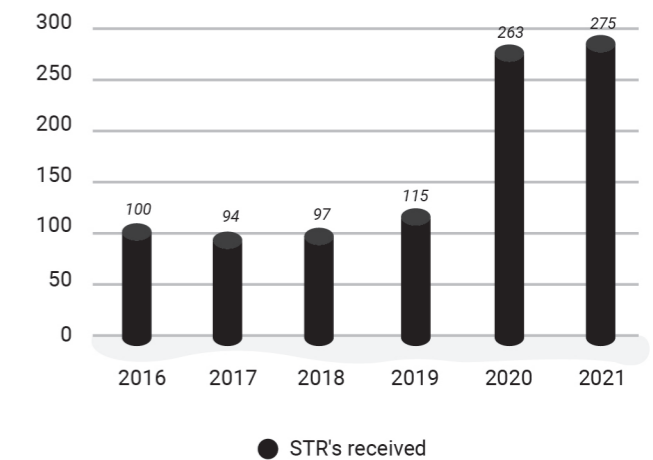
When STRs are received, an assessment is undertaken to determine the level of prioritization that needs to be afforded to the respective STR. A risk-based assessment is undertaken to determine the level of priority. This assessment takes into consideration factors such as, but which are not limited to transaction value of STRs, nature and extent of the criminal conduct, strategic priorities of LEAs, which are informed by the risk areas identified in the National Risk Assessment (“NRA”) and impact of the transaction or activity.

STRs Received

For 2021, the FIU recorded a total of 275 STRs, representing a 4.6% increase compared to 2020, when 263 STRs were recorded. On average for the reporting year the FIU received 23 STRs per month. Graph 2 hereunder provides a comparative analysis of the STRs received for the past six years, whereas table 3 provides the total number recorded per sector for 2021.

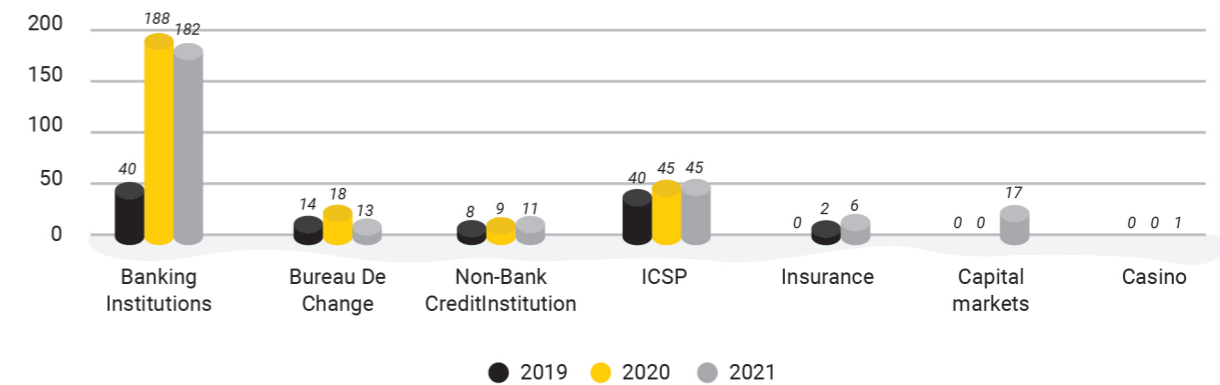
Sector	STRs received
Banking Institutions	182
BDC	13
Non-Bank Financial Institution	11
ICSP	45
Insurance	6
Capital Markets	17
Casino	1
Total	275

Table 3: Number of STRs per Sector for the year 2021



Graph 2: Comparative view of STRs received from 2016-2021

For the period under review, 83% of STRs recorded came from two main reporting sectors being banking institutions and ICSPs whereas the other sectors filed a combined total of 48 STRs. It can be observed that no STRs were received from reporting entities supervised by the FIU. As such the FIU’s priority for 2022 is, with the support of the relevant sectorial supervisors, undertake a comprehensive review of entities that are not reporting. This would allow the FIU to initiate outreach activities and devise sector specific guidance to ensure that suspicious transactions/activities are properly monitored and reported to it.



Graph 3: Comparison of STR per category from 2019 – 2021

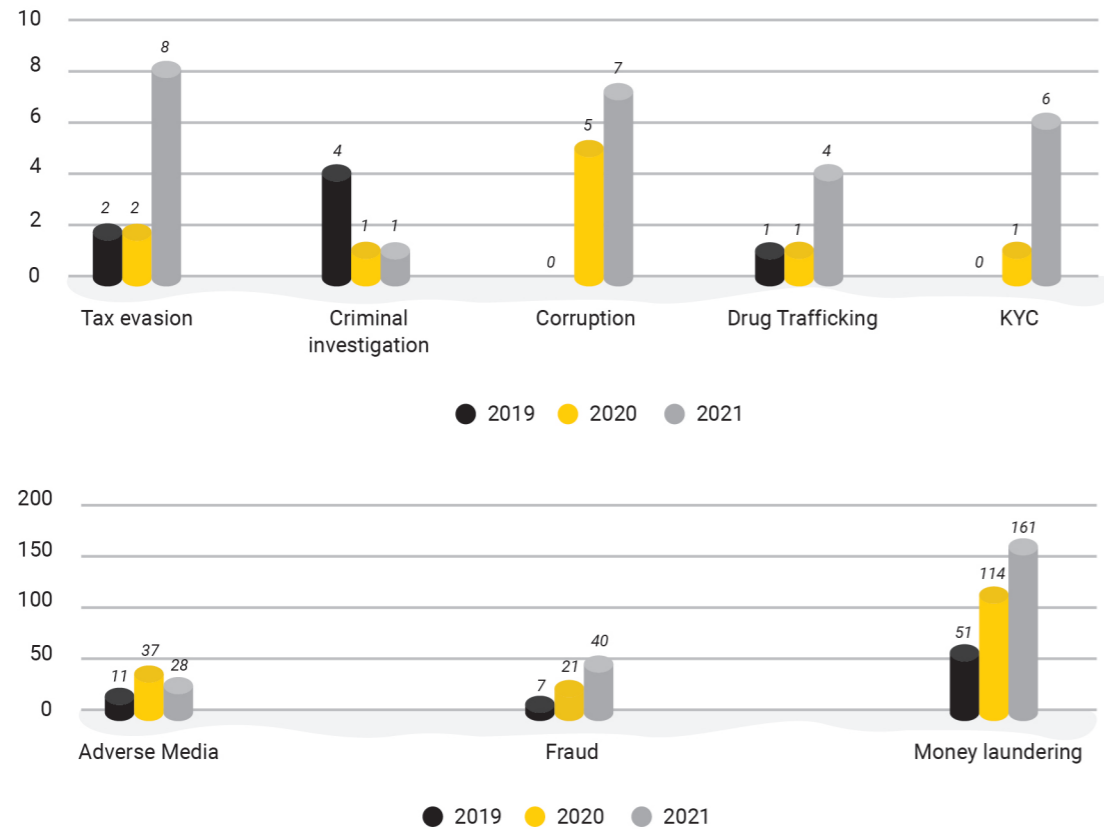
Reason for filing of STRs

Table 4 hereunder highlights reason for forming suspicions as reported by the reporting entities, during the review period. The majority of STRs were related to ML with 161 STRs filed, representing an increase of 41% from the same category in 2020 whilst the second highest category, Fraud, saw an increase of 90% with 40 STRs filed. There was also a decrease of 24% in STRs relating to adverse media. 20 STRs were submitted for transactions not in line with declared profile. Tax evasion recorded an increase of 300% with 8 STRs, 7 STRs

were related to corruption, 6 STRs for reluctance to update KYC. 4 STRs related to drug trafficking and 1 STR was filed by virtue of an ongoing criminal investigation. Graph 4 hereunder for reasons and trends in STR received per category of suspected offence over the past three years.

Reason for reporting	No. of STRs received
Adverse Media	28
Fraud	40
Money laundering	161
Transaction not in line with profile	20
Tax Evasion	8
Criminal Investigation	1
Corruption	7
Drug Trafficking	4
KYC	6
Total	275

Table 4: Reasons for reporting STRs Jan -Dec 2021



Graph 4: Trend in STRs per categories of suspected offence (2019-2021)

Other Disclosures

In addition to receipt of STRs, 361 disclosures were made to the FIU through its voluntary disclosure mechanism. Most of the disclosures being 293, were from Virtual Asset Service Providers (VASPs) which are IBCs operating as VASPs, followed by 25 disclosures from MDAs, 7 other disclosures from the general public, and 36 internal disclosures. Refer to table 5 for the List of the prevalent criminalities related to VASP disclosures

List of Criminality 2021	2021
Child Abuse	1
Dark Net Market activity	42
Deception	20
Fraud	6
Illegal Gambling	1
Money Laundering	130
Scam	11
Sanction Evasion	3
Theft	2
Drug Trafficking	1
Adverse News Media	1
Total Criminality Recorded	293

Table 5: List of the prevalent criminalities related to VASP disclosures

Virtual assets and virtual asset service providers

VA is a digital representation of value that can be digitally traded, or transferred, and can be used for payment or investment purposes. OSINT monitoring of cybercrimes involving cryptocurrencies reveals that they are an emerging threat for our jurisdiction. For the year 2021, the FIU recorded 293 voluntary disclosures by VASPs which represents an increase of 176% in comparison to 106 in 2020. It is to be noted that FIU analysis revealed that disclosures were linked to 246 wallets by the VA's stated in table 6 below

VA List				
Bitcoin Cash	Bitcoin Cash	Ethereum	Dash	Pax
Ripple	Tether	Tron	Zcash	Monero
Uniswap	Binance Coin	Doge Coin	Shiba Inu	Wrapped Bitcoin
Dai	Litecoin	Maker	True Usd	

Table 6: List of VAs utilized

The total value of transactions recorded through the disclosures received was approximately SCR 18 billion. However, it is to be noted that the value of transaction was not identifiable in all cases. The value provided in Table 7 below is therefore an estimation of the sum of transactions with regards to Bitcoin only and excludes any other VA types.

Currency (Fiat & Virtual)	Value of transaction	Conversion rate as on 12/05/2021 *	Amount in USD (estimate)	Amount in Seychelles Rupees (SCR)
USD			1.3 billion	
Bitcoin (BTC/XBT)	2359.904634	Rate (Estimation 1 Bitcoin = USD \$ 57,338.38)		18 billion

* www.xe.com/currencyconverter 12th may 2021 10.00am (Date of receipt)

Table 7: Estimated Bitcoin transactions in 2021

Outgoing - Domestic & International Disseminations

The FIU assesses and analyses information it receives, identifies intelligence which may be of value to local or foreign LEAs, supervisory and other competent authorities as well as other FIUs, in combatting ML/TF or other criminal activities. It then produces analytical reports which are disseminated as intelligence reports to these authorities. For this reporting period the FIU disseminated a total of 158 reports, as shown in table 8.

Domestic Dissemination	
FSA	29
SEYCHELLES POLICE	64
ACCS	5
SRC	5
Immigration	1
MOF	1
Other	32
International Disseminations	
Egmont	21
Total	158

Table 8: Domestic & International disseminations

Table 9 below provides further insight in respect to international disseminations as it lists the number of disseminations made by region

Region	No of Disseminations
Americas	5
Europe I	6
Europe II	1
Middle East & North Africa	8
West & Central Africa	1
Total	21

Table 9: No. of Disseminations by region (2021)

In analysing information from STRs, disclosures and other reports made, the suspected specified offence is identified by OPTAC Unit and Table 10 below gives the breakdown of suspected specified offences identified through analysis. It can be observed that the 48% of disseminations made related to fraud.

Suspected Specified Offence	2021
Corruption	6
Embezzlement	1
Fraud	10
Suspicious Activity	1
Tax Evasion	3
Total	21

Table 10: Suspected Specified Offences relating to disseminations

Incoming - International spontaneous disseminations

For this reporting period, a total of 42 spontaneous disseminations were made to the FIU from foreign counterparts. From these disseminations, 7 had nexus to Seychelles and 6 of these were related to Seychelles registered International Business Companies and as such the information was shared with competent authorities for further action. The highest number of incoming spontaneous disseminations originated from Egmont Regions- Europe I as shown per table 11 below, with the reason for suspicion being bribery, child pornography, corruption, cybercrime, fraud, money laundering, narcotic trafficking, organised crime, scam, suspicious transaction, tax evasion and terrorist financing.

Region	2021
Americas	4
Asia & Pacific	2
East & Southern Africa	1
Europe I	24
Europe II	4
Middle East & North Africa	7
Total	42

Table 11: No. of incoming spontaneous disseminations by region (2021)

Domestic and International Exchange of Information

Effective information sharing is a key requirement of FATF standards and is critical for combatting ML/TF and other criminal activities. As such, in 2021 the FIU remained committed to the timely exchange of information on requests from its domestic and international stakeholders. Table 12, provides a summary of domestic and international exchange of information upon request for the reporting period.

	2020	2021
Request received		
Domestic Requests Received	205	181
International Requests Received	94	130
Requests sent		
Domestic requests Sent	752	1298
International Requests Sent	31	10

Table 12: Summary of domestic & international exchange of information (2020-2021)

The FIU receives RFIs from domestic competent authorities related to suspected ML/TF and associated predicate offences. For the period under review the FIU received a total of 181 domestic requests, from various authorities and institutions. On the other hand, the FIU made 2806 RFIs to competent authorities and 1368 such requests to Reporting Entities bringing the total to 4174 RFIs made in 2021 in pursuance of its statutory duties.

International exchange of information

For the year 2021, the FIU received a total of 130 requests for information from international counterparts which represents a 38% increase from 2020. Of these, 119 were Egmont Group requests and 11 were requests from other international LEAs. The highest number of incoming requests originated from the Europe I region with 64 (49%) requests. The lowest number of requests originated from the Middle East & North Africa. It is important to note that out of the 130 requests received during the reporting period, 109 (84%) have been responded to and 20 (15%) were carried forward to 2022. For an overview of requests received per region refer to table 13 below.

¹ Region categorised as per Egmont regional Grouping <https://egmontgroup.org/en/content/regional-groups>

Region ¹	2020	2021
Americas	7	18
Asia & Pacific	16	15
East & Southern Africa	7	7
Eurasia	8	8
Europe I	45	64
Europe II	10	14
West & Central Africa	1	0
Middle East & North Africa	0	4
Total	94	130

Table 13: No. of international requests received by region (2020 - 2021)

Freezing of accounts

As part of its functions, under Section 27 (d) & (e) of the AML/ CFT Act 2020 the FIU may direct any reporting entity or person to refrain from completing any transaction if the FIU finds that there are reasonable grounds to believe that a transaction or activity reported to it involves a criminal conduct, money laundering or terrorist financing activity. In addition to directing a reporting entity or person the FIU may also instruct the reporting entity to freeze the banking or similar account of the entity or person in respect of whom any report has been submitted. For the year 2021, the FIU made restrictions on 32 bank accounts and 20 virtual wallets.

Restriction Type	Number of Accounts	Value of funds
Bank Account	32	SCR 46,967,825.82
Virtual Wallets	20	USD 44 Million
Total	52	USD 44,115,306.9*

* (1 USD=14 SCR) (1 USD=3.68 AED) (1EUR=18) (1 GBP=19)

Table 14: Snapshot of Frozen bank accounts and crypto wallets for 2021

It can be observed from table 15 below that the main suspicions recorded were Fraud (29) and ML (25) accounting for 49% (54) of the request received. Out of the 130 requests received, 55 (42%) were related to VASP using Seychelles entities to trade under.

Region	2020	2021
Child Pornography	0	2
Corruption	9	12
Cyber Crime	5	8
Embezzlement	0	3
Extortion	0	1
Fraud	25	29
Illegal Hacking	0	2
Intellectual property rights violation	0	1
Kidnapping for ransom	0	2
ML	25	25
Narcotics trafficking	5	7
Organised Crime	0	2
Ransomware	0	5
Scam	0	2
Suspicious transaction	17	6
Tax evasion	5	12
TF	1	7
Theft	0	3
Trade Based ML	0	1
Smuggling	1	0
Proliferation of weapons	1	0
Total	94	130

Table 15: Reason for suspicion for requests received (2020-2021)

Outgoing

For the period under review, the FIU sent out a total of 10 RFIs to international counterparts with corruption (2) Narcotics trafficking (1) Fraud (4) and ML (3) as the reason forming suspicion. Table 16 further depicts number of outgoing request per region.

Region	2020	2021
Americas	8	1
Asia & Pacific	5	1
East & Southern Africa	1	0
Eurasia	1	0
Europe I	8	3
Europe II	4	1
Middle East & North Africa	3	4
West & Central Africa	1	0
Total	31	10

Table 16: No. of outgoing requests by region (2020- 2021)

Feedback

Feedback to Reporting entities

The FIU provides written feedback to an entity which has reported an STR/SARs. The nature of the feedback can be direct feedback on any action taken on the STR/SAR submitted or feedback addressing any deficiency in improving the quality of its submissions and compliance with AML/CFT preventive measures/obligations.

Feedback from counterparts on disseminations

Section 63(1) of the AML/CFT Act,2020 requires that a law enforcement agency to which an intelligence report is disseminated by the FIU, provide feedback to the FIU within 60 days from the date of receipt of the report to confirm whether further investigation is required in the matter.

Based on the above provision, for the year under review, the FIU requested feedback from LEAs in relation to disseminations made and it is evident that obtaining relevant feedback remains a challenge. However, in an attempt to obtain timely and comprehensive feedback from respective LEAs the FIU aims to deploy a digital platform to facilitate the process by which recipients of its intelligence products provide relevant and timely feedback.

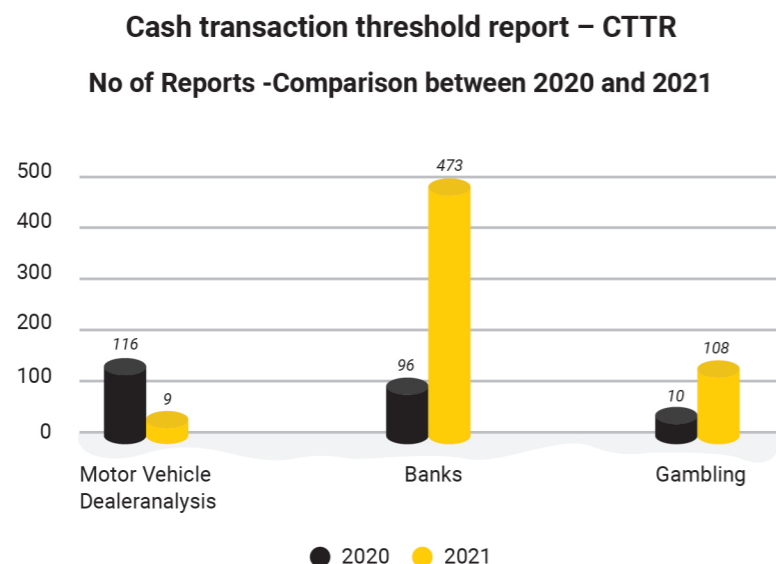
Strategic Analysis

Overview of Trend report

The FIU worked on 2 trend analysis projects in 2021 being an STR quality review and Bureau De Change threshold review. During April 2021, the FIU undertook a review of a sample of STRs received, to determine the emerging money laundering and terrorist financing risks and the quality of these submitted STRs. Based on the result of the STR quality review the FIU conducted an awareness session with the commercial banks and Bureau De Change, where the findings of the review were shared. Generally, the main deficiencies highlighted was in relation to the quality of information provided by REs whilst submitting their STR. As such the FIU issued new guidance to REs in relation to the importance and manner for submitting good quality STRs to the FIU. Further to this exercise, in December 2021, the FIU published Guidelines for Suspicious Transaction Reporting for use by all reporting entities. This was sent to all the reporting entities under its supervisory purview and disseminated to CBS and FSA for onward transmission to the reporting entities under their supervision. The BDC threshold review was conducted with the aim to demystify threshold data submitted to the FIU by the BDCs for the period starting 2020. It is expected that the findings of the review will guide the FIU in customizing the digital GoAML platform, to be used by REs for submissions of all relevant reporting to the FIU. Simultaneously the finding of the report has highlighted the need for emphasis to be placed on joint efforts by the FIU, the supervisory authorities and the REs to ensure completeness and accuracy of information that is required to be captured and provided.

Threshold Report

Despite certain challenges faced during 2021, most REs have demonstrated a sound level of understanding and compliance, with their obligation specified under section 5 of the AML/CFT Act relating to submission of threshold reports to the FIU. It is important to note that "CTTR" and the "WTTR" are essential tools used by the FIU to inform supervisory authorities, LEAs and other competent authorities in terms of their priorities as it relates to ML/TF risk and threat. In addition, it remains a critical tool in guiding and supporting policy decisions to combat ML/TF.



Graph 5: Comparison of Reports Received per categories 2020-2021

Banking sector

The banking sector submit reports on a weekly basis. The FIU received a total of 816 threshold reports from the banks during the year under review. This consisted of 473 CTTRs and 343 WTTRs

	CTTR		WTTR	
	No. of Reports	No. of Transactions	No. of Reports	No. of Transactions
Semester 1	204	33,949	144	34,130
Semester 2	269	41,631	199	56,525
Total	473	75,580	343	90,655

Table 17: Banking Sector CTTR and WTTR analysis (2021)

Motor vehicle dealers

Compared to 2020, during 2021 the FIU received significantly less threshold reports from the MVDs. A total of 9 threshold reports were received. This decrease is due to the fact that previously MVDs were submitting reports on all transactions, whereas with the new obligation, reports are limited to only cash transactions meeting or exceeding the prescribed threshold.

	No. of No. Reports	No. of Transactions
Semester 1	3	2
Semester 2	6	3
Total	9	5

Table 18: MVDs CTTR Analysis (2021)

Gambling sector

With the Covid-19 restrictions lifted, the casinos resumed their operations from April 2021 and a total of 108 reports were received for 2021. Casinos submit threshold reports on a fortnightly basis.

	No. of Reports	No. of Transactions
Semester 1	29	713
Semester 2	79	2,561
Total	108	3,274

Table 19: Gambling Sector CTTR Analysis (2020 – 2021)

Precious metals and stones

Following awareness programs conducted by the FIU, dealers of precious metals and stones started to submit threshold reports to the FIU, and a total of 6 reports were received in 2021. This sector is expected to submit CTTRs on a monthly basis.

	No. of Reports	No. of Transactions
Semester 1	0	0
Semester 2	6	19
Total	6	19

Table 20: Jewelry sector CTTR Analysis (2020 – 2021)

Bureau De Change

Despite the impact of the global pandemic, the BDCs have generally complied with their threshold reporting obligation. A total of 732 reports were received from the Class 'A' BDC and 240 reports from the Class 'B' BDCs. It is to be noted that the 'Class A' BDC is licensed to buy and sell foreign currency without the limitation that applies to 'Class B' BDC for example it could engage in money transmission services. The 'Class B' BDC is restricted to buying and selling foreign currency only in the form of notes, coins and travelers' cheques. BDCs submit threshold reports on a weekly basis.

		No. of Reports	No. of Transactions
BDC Class A	2020	510	140,197
	2021	732	130,162
BDC Class B	2020	247	5,246
	2021	240	5,959

Table 21: BDCs CTR Analysis (January- November 2020 & 2021)

Beneficial ownership and beneficial ownership database

Pursuant to the provision of section 13 of the BO Act, the FIU has been designated as the nodal agency to maintain the Seychelles Beneficial Ownership ("BO") Database. All legal persons and legal arrangements specified under section 2 of the BO Act are required to populate their BO information, through their resident agents, on the BO Database. The BO Database, was launched for the non-domestic sector on July 5th, 2021. Fig. 3 below provides a snapshot of the steps undertaken by registered agent for registration and population of information on the BO Database.

Fig 3: Registration of Individuals and Corporate entities



Population of information on the BO database was undertaken in two phases whereby December 27th, 2021 was the deadline set for legal persons and legal arrangements specified under Part B of the First Schedule of the BO Act to ensure compliance with the BO Act. For legal persons and legal arrangements under Part A of the First Schedule of the BO Act, also referred to as domestic sector, compliance with the BO Act was set to January 31st, 2022.

Commencement of Population by non-domestic sector

For the purpose of meeting this obligation, the FIU implemented the goAML platform, an integrated software system developed by the United Nations Office on Drugs and Crime (UNODC) for FIUs worldwide, to facilitate the population of the BO information onto the BO database. Figure 4 below shows the various milestones of BO Database implementation.

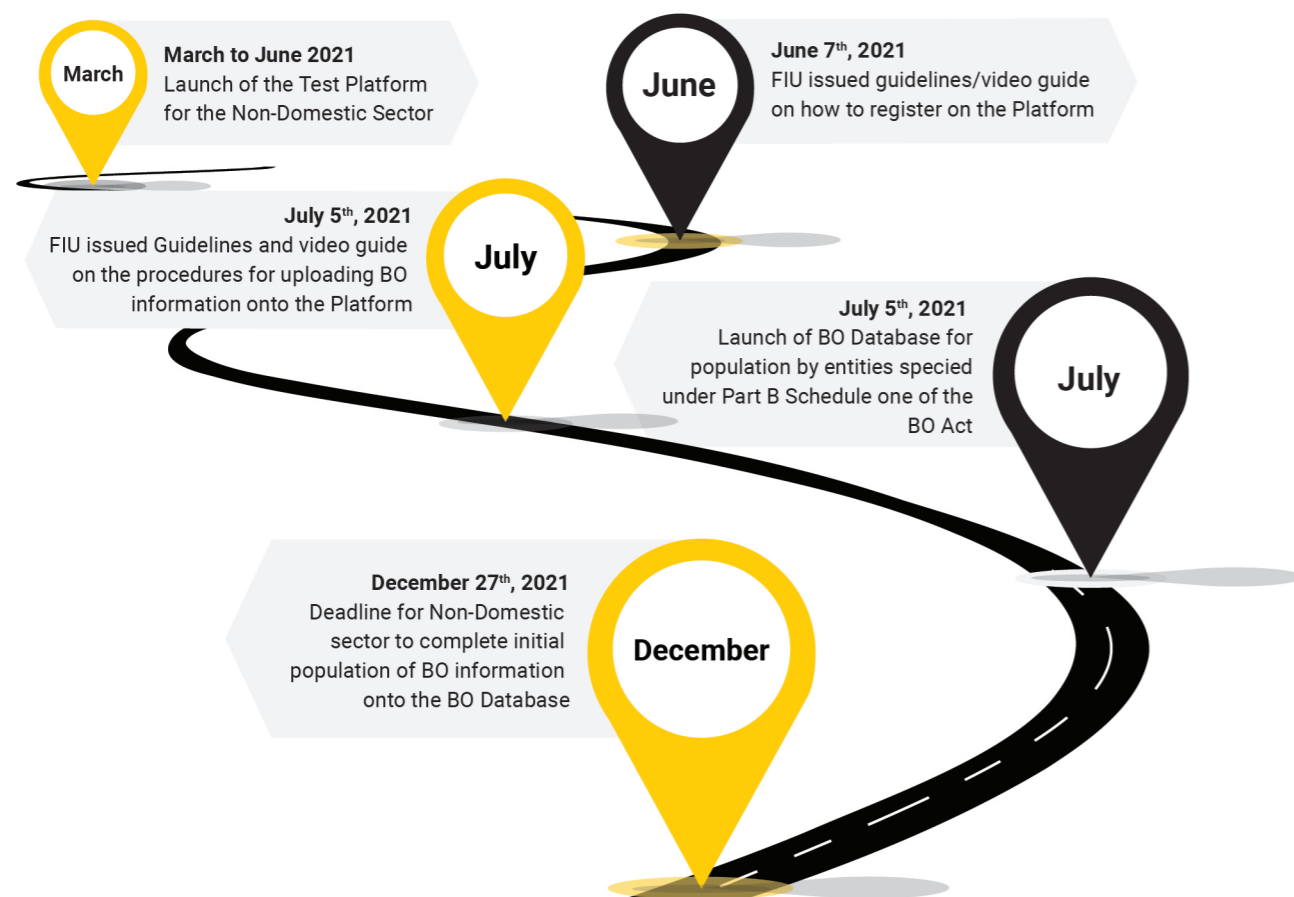


Fig 4: the launch of the BO Database for the non-domestic sector

Refer to Table 3.1 per Annexure 3 for the list of non-domestic entities that were obligated to populate BO information onto the BO Database. It should be noted that as at December 31st, 2021, 71 organizations and 231 individual users were registered on the BO Database approved to populate BO Information on the database.

Non-Domestic BO Information populated

Refer to table 22 and 23 hereunder for more details in respect to the total number of non-domestic entities that had populated BO information on the BO Database as at December 31st, 2021.

Submission by resident agent on the BO database	
2021	110

Table 22: Submission by resident agents in 2021

Population by legal persons/arrangement	
IBC (International business companies)	53355
Trust	259
CSL (Companies special license)	34
Foundation	193

Table 23: Population of the Database by legal persons/arrangement as of December 31st, 2021

Commencement of population by domestic sector

In view that the BO concept was relatively new to the domestic legal persons specified under Part A of the First Schedule of the BO Act, as such, the deadline to comply with the BO Act by legal persons was set to January 31st, 2022.

BO Awareness and Guidance

In an effort to raise awareness of the BO Act, for the reporting period, the FIU conducted 2 virtual sessions on October 27th, 2021 with Reporting Entities and Registered Agents on Mahé, with a high level of participation. This was followed by a joint press conference to sensitize the general public on the BO Act. In addition, several outreach sessions were conducted both virtually and face-to-face, which included the Mahé, Praslin and La Digue community in October, November and December 2021. However, it should be noted that the level of participation was relatively low.

In order to ensure that the business community had ample information to fully understand their obligation in line with section 13(3) of the BO Act, the FIU produced 6 guidelines and 1 video for resident agents setting out the steps on how to register and populate the BO database.

INFORMATION 7

CROSS BORDER MOVEMENT OF CASH

Cross-border movements occur when cash is brought into or out of Seychelles.

Cash includes notes and coins of Seychelles or of any other country which is a legal tender and accepted as a medium of exchange in the country of its issue, postal orders, bearer cheques which passes title thereto upon delivery including travelers' cheques, bank drafts and bearer bonds.

Section 75 (1) of the Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) Act 2020, as amended, requires a declaration to be completed by any person carrying SCR 50,000 (or the equivalent in other currencies) or more in cash when entering or leaving Seychelles.

This obligation to declare:

- is part of the country's strategy to prevent and fight against money laundering and terrorist financing

is the result of efforts at national level to implement the Financial Action Task Force (FATF) Recommendation 32 on cash couriers.

Who must lodge a declaration?

Any person entering or leaving Seychelles, if this person is carrying SCR 50 000 (or its equivalent in other currencies) or more, in cash.

How to make a declaration?

Persons entering and exiting the country must complete the Declaration to Customs on the Seychelles Travel Authorization Website/Application, by answering "YES or NO" to this specific question:

*Are you or will you be transporting currency or monetary instruments of a value equal to or greater than SCR50,000 or foreign equivalent?

If the person answers yes, they must then provide information on the currency or monetary instruments.

A person who has declared that he/she is carrying cash in excess of SCR 50 000 (or its equivalent in other currencies) must proceed to the Red Channel on arrival and approach a customs official on departure.

What happens to a person who fails to make a declaration?

Any person who fails to make a declaration or knowingly makes a declaration which is false or misleading commits an offence as per Section 75 (2) of the AML/CFT Act, 2020, as amended and is liable on conviction to a fine not exceeding double the amount of cash found in his/her possession in excess of the prescribed sum and the cash in his /her possession is liable to forfeiture.

Risk Supervision and Enforcement of Compliance.



Risk Supervision and Enforcement of Compliance

Supervised Sectors

In line with the AML/CFT Act, the FIU is responsible to supervise the following REs being lawyers, accountants and auditors, real estate agents, high value motor vehicle dealers, dealers in precious stone and the Seychelles Pension Fund, categorised as DNFBPs.

DNFBPs	Number
Accountant/Auditors	57
Lawyers and Notaries	32
Real Estate Agents	10
High Value Dealers – Motor Vehicle Dealers	21
Dealers in Precious metals and stones	11
Pension Fund	1
Total	132

Table 24: Total number of Designated Non-Financial Businesses and Professions

Compliance with Preventive measures

Registration Of Reporting Entities With The FIU

In line with the requirements of section 31 of the AML/CFT Act and Regulation 7 of the AML/CFT Regulations, all REs specified under the First Schedule of the AML/CFT Act have an obligation to register with the FIU. For the purpose of fulfilling this obligation, the FIU implemented the goAML platform and registration commenced in April 2021. Refer to appendix 4 for breakdown of registration per sector under section 31 of the AML/CFT Act.

Supervisors	Total No. of Reporting Entities	Total No. of Registered Entities
FIU	132	110
CBS	32	15
FSA	240	144
Total	404	269

Table 25: Snapshot of Registration of Reporting Entities.

Appointment of CO and ACO by Reporting entities

Section 34 (1) and (3) of the AML/CFT Act provides for all reporting entities to appoint a CO and an ACO respectively. Regulations 8 (2) of the AML/CFT Regulations exempt reporting with less than five (5) staff members having received the necessary approval from appointing an ACO. As at December 31st, 2021, FIU approved a total number of 124 Compliance Officers, 17 Alternate Compliance Officers and exempted 107 ACO as depicted per Table 26 below.

Reporting Entities	Total Number of RE	Number of Approved CO	Number of Approved ACO	Number of Exemptions for ACO
Accountant/Auditors	57	57	6	51
Dealers in Precious Metals & Stones	11	9	3	6
Lawyers & Notaries	32	28	1	27
Motor Vehicle Dealers	21	20	6	14
Pension Fund	1	1	1	0
Real Estate Agents	10	9	0	9
Total	132	124	17	107

Table 26: List of FIU approved CO and ACO

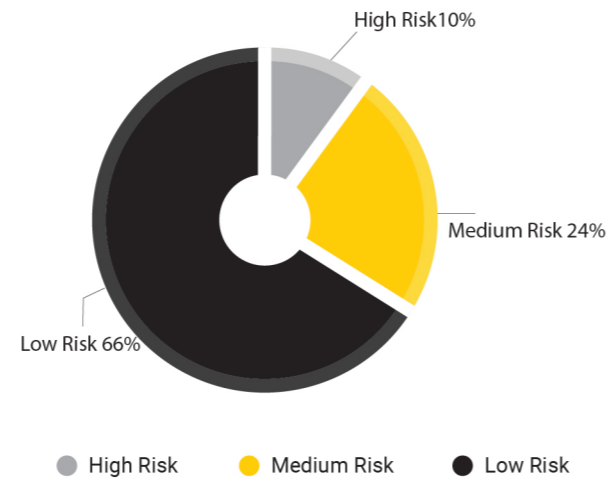
Risk Assessment of Reporting Entities

Mechanism introduced to identify risks

As part of the implementation of its RBA framework, the FIU has implemented mechanism to assess the ML/TF risks for the reporting entities which it supervises. This framework is flexible, allowing for the timely and effective response to significant events such as changes in management or in business activities. The FIU uses different type of supervisory tools to assess compliance by RE which includes but not limited to statistical Questionnaire, desk-based monitoring mechanisms and on-site examination audit tools to assess the adequacy of the Reporting Entities systems and processes. Amongst other things, the FIU uses information obtained through the Statistical Survey as part of the risk assessment, following which reporting entities are assigned a rating based on their ML/TF (Inherent Risks) and compliance (controls) risks identified. The result of the analysis is also used to determine the frequency, intensity and scope of AML/CFT supervision to be performed by the FIU.

Result of the Risk Assessment

Following the conduct of the risk assessment by the FIU in 2020, the data collected and analyzed from the RAQ was populated into the risk assessment matrix, and a final risk rating was generated for each individual reporting entity. 12 reporting entities were classified as high risk, 29 as medium risk and 79 were identified as low risk. It should be noted that the results of the risk rating allocated has equally been used to drive the FIU's Risk-Based Supervisory Program for 2021. Therefore, the FIU conducted 12 off-site examinations with the identified high-risk entities. As part of the FIU's effort to ensure that reporting entities properly assesses and understand their institutional risk in February 2021, the FIU issued its first IRA Guidelines. Following which in July 2021, as part of the desk-based supervision, reporting entities from the Motor vehicle dealers, accountant/auditors, real estate agents and lawyers/notaries sector were requested to submit their documented risk assessment. Table 31 hereunder provide an overview of the findings of the IRA exercise per sector.



Pie Chart 1: Percentage of reporting entities identified with High, Medium and Low Risk

Generally, it was identified that 57% of the total reporting entities under the FIU's regulatory purview undertook the IRA exercise. Following an initial review of the submitted risk assessment, the FIU concluded that further guidance and feedback is required on the subject matter as some of the reporting entities have yet to fully understand how to undertake their IRA. Following which reporting entities will be redirected to submit their assessment which will allow the FIU to reassess both compliance and understanding.

Sector	No. of reporting entities	Institutional Risk Assessment		Percentage	
		Completed	Not Completed	Completed	Not Completed
Accountants/Auditors	57	38	19	67%	33%
Lawyers and Notaries	32	17	15	53%	47%
Motor Vehicle Dealers	21	11	10	52%	48%
Real Estate Agents	10	8	2	80%	20%
Pension Fund	1	1	0	-	-
Dealers in Precious Metals & Stones	11	0	11	-	100%
Total	132	75	57	57%	43%

Table 27: IRA response per sector under the regulatory purview of the FIU

Guidance to Reporting entities

Pursuant to section 57 (2) of the AML/CFT Act, the FIU has the power to issue direction, directives or guidelines in relation to the requirements set out in the AML/CFT Act or the regulations made thereunder. Refer to appendix 5 for the list of Guidelines and Circular issued by the FIU for the reporting year.

Supervision and Monitoring

During the year 2021, the FIU revisited its onsite examination plan due to Public Health measures implemented as a result of the Covid-19 pandemic. Therefore offsite interviews were conducted with all 12 the high-risk entities identified per its risk matrix with the objective to assess the adequacy of the AML/CFT control measures implemented by these Reporting Entities with respect to all their obligations under the AML/CFT Act.

Revision of AML/CFT Compliance Policies

In line with section 33 (1)(a) of the AML/CFT Act, reporting entities are required to establish and maintain procedures and systems to implement internal policies, procedures and controls to fulfil their obligations under this Act. In order to assist reporting entities in fulfilling this obligation on October 2021, the FIU issued a guidance document entitled Guide to Structuring an AML/CFT Compliance Manual. All high-risk and medium-risk reporting entities were afforded a timeframe of up to February 28th, 2022 to submit their compliance manual.

Enforcement Actions

As part of its supervisory function, espoused under section 57 (1) of the AML/CFT Act, the FIU has the power to impose sanctions on reporting entities in relation to any regulatory breaches identified through its monitoring of reporting entities. For the reporting period, the FIU has identified the following key deficiencies across its reporting sectors:

- Failure to register with FIU;
- Failure to appoint compliance officer;
- Failure to identify and assess ML/TF risks;
- Lack of documented AML/CFT compliance manual;
- Failure to participate in trainings; and
- Failure to submit their institutional risk assessment.

In order to ensure compliance by reporting entities with their obligation based on the regulatory breaches identified, in 2021 the FIU issued a series of directives to its reporting sector. Further details on the action taken is provided per Table 28 below

Reporting Sectors	Total No. of Reporting Entities	Total No. of Reporting Entities issued with Directives
Accountant/Auditors	57	6
Dealers in Precious Metals & Stones	11	
Lawyers & Notaries	32	12
Motor Vehicle Dealers	21	
Pension Fund	1	0
Real Estate Agents	10	
Total	132	29

Table 28: Total directives Issued to Reporting Entities

Following continued non-compliance by some of the Reporting Entities and other breaches identified, the FIU initiated preliminary enforcement action. In 2021, a total of 215 enforcement notices were issued to reporting entities for non-compliance with the requirement specified in Table 29 below. Following the enforcement notices, a marked improvement was noticed in compliance.

Non-Compliance to AML/CFT Preventive Measures				
Reporting Sector	Breach of Section 31 of AML Act	Breach of Section 32 of AML Act	Breach of Section 34 of AML Act	Training
Real Estate Agents	1	7	1	7
Motor Vehicle Dealers	7	19	4	11
Legal Practitioners	9	27	7	26
Auditor / Accountants	12	42	2	33
Fund	0	0	0	0
Total	29	95	14	77

Table 29: Total enforcement notices issued to Reporting Entities

Due Diligence and Background Checks

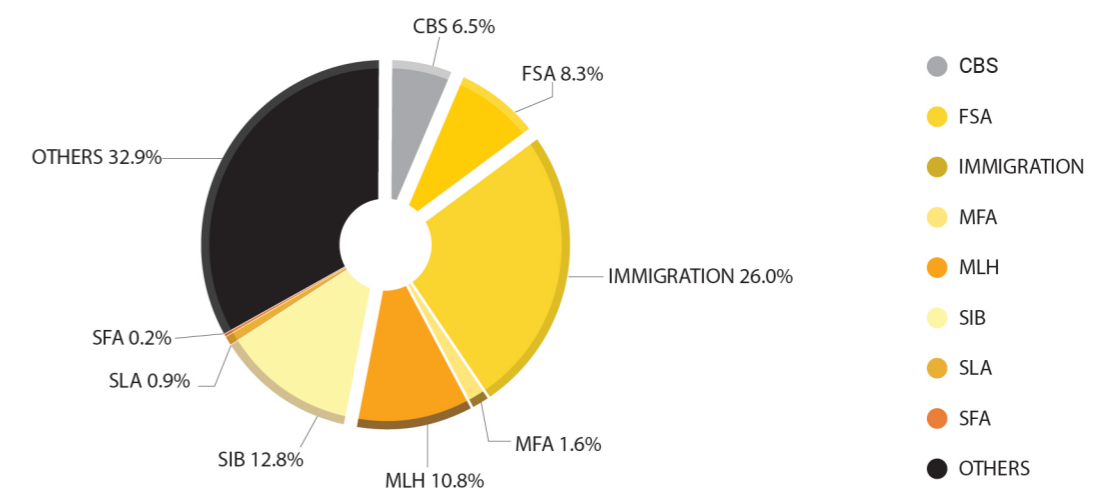
The FIU provides assistance to conduct background and due diligence checks on individuals and entities on behalf of the Seychelles Government requesting agencies. Typically, request for assistance for conducting checks on individuals and entities relate to application for sanctions, application for citizenship, application for residency, business proposals submitted to Seychelles from foreign counterparts interested in investing in the country and also to assist other Supervisory and Regulatory Authorities.

For the period between January to December 2021, the FIU received 549 applications requesting for assistance in the conduct of background checks. Table 30 and pie chart 2 depicts the number and percentage request received for the reporting period. These applications relate to;

- Application for sanction for the purchase of property.
- Application for citizenship.
- Application for residency.
- Business proposals submitted to Seychelles from foreign counterparts interested in investing in the country.
- Market entrants for DNFBPS under Part C of the First Schedule of the AML/CFT Act (except for serial numbers 7 and 8).

Requesting Agency	No. of Requests	Individuals	Entities
CBS	36	36	0
FSA	46	45	1
IMMIGRATION	144	144	0
MFA	9	9	0
MLH	60	47	13
SIB	71	30	41
SLA	5	5	0
SFA	1	1	0
OTHERS	82	179	3
TOTAL	554	496	58

Table 30: Requests for assistance in conducting background checks



Pie Chart 2: Requests to conduct background checks

Review of Application for License

In line with the measures put in place by the SLA and FIU to ensure a robust process to prevent criminals or their associates from being licensed or professionally accredited, or hold (or be the beneficial owner of) a significant or controlling interest or hold a management function in a DNFBP, during the reporting period, 5 applications for licences were processed by the SLA and FIU. In 2022, the FIU plans to roll out a similar working arrangement with the Judiciary which has oversight of Lawyers and Notaries.

Public Awareness and Outreach

In the year 2021, FIU provided a wide range of guidance to the reporting entities it supervises to assist them in complying with their AML/CFT obligation, including joint guidelines, code of practice, sector specific guidelines, circulars, frequently asked questions, training videos, webinars and case specific outreach sessions. The guidance covers different AML/CFT areas, e.g., institutional risk assessments, CDD, EDD, beneficial ownership, cash and wire transfers, compliance manual, suspicious transaction report, fit and proper criteria for compliance officers and registration with the FIU. To support in the practical application of these guidance and materials despite the COVID-19 restriction on movement, the FIU conducted outreach activities through digital means to ensure that reporting entities understand the ML/TF risks they may face and how to implement mitigating measures on a risk-sensitive basis. The FIU conducted a series of virtual awareness sessions summarized Table 31 below, aimed at raising the reporting entities' awareness vis-à-vis their obligations under the AML/CFT Act in respect to;

- understanding their role as gate keepers and how this has an impact on the reputation of Seychelles as a financial centre;
- enhancing reporting entities knowledge of the ML/TF risks faced by their organisation and their role in mitigating these risks; and
- ensuring that employees including the CO are familiarised with AML/CFT legal and regulatory obligations and compliance measures, including the required internal control systems to be put in place.

Facilitator	Reporting Sector	Awareness Type	Number	Mode
FIU	Precious metals and stones Lawyers and notaries MVDS REA's	Introduction to AML/CFT Act and New obligations as reporting entities	17	9 Virtually 7 face-to-Face
WORD Bank	All reporting entities	BNO Standard and country implementation	2	Virtual
RUSI	All reporting entities	Countering proliferation financing for the private sector stakeholders in seychelles	1	Virtual
ECOFEL	All reporting entities	Workshop on improving STRSAR quality	2	Virtual
ECOFEL	All reporting entities	Domestic, international cooperation and information sharing	3	Virtual
REFINITIV	All reporting entities	Webinar on AML/CFT	1	Virtual

Table 31: Awareness sessions for the year 2021

INFORMATION 8

CRYPTOCURRENCIES

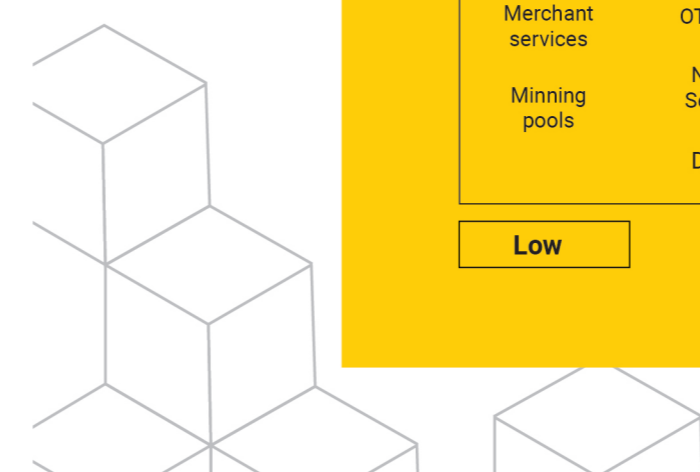
A cryptocurrency is a digital asset designed to work as a medium of exchange using cryptography to secure transactions, to control the creation of additional value units, and to verify the transfer of assets.



Where are cryptocurrency owners and users from

Country	2021
Nigeria	42%
Thailand	31%
Philippines	28%
Vietnam	27%
Turkey	25%
Argentina	21%
South Africa	21%
Switzerland	16%
Kenya	16%
Malaysia	16%
Brazil	16%
Netherlands	15%
Colombia	15%

Potential for criminality



INFORMATION 9

RISK ASSESSMENTS

A risk assessment allows countries to identify, assess and understand its money laundering and terrorist financing risks. Once these risks are properly understood, countries can apply AML/CFT measures that correspond to the level of risk, in other words: the risk-based approach (RBA). The risk-based approach, which is central to the FATF Recommendations, enables countries to prioritise their resources and allocate them efficiently.

SEYCHELLES' NATIONAL RISK ASSESSMENT 2022

In 2016 Seychelles conducted its first NRA to identify, assess, and understand the Money Laundering and Terrorist Financing ("ML/TF") risks associated to the jurisdiction using the World Bank's National ML/TF Risk Assessment Tool. Building from the previous collaboration with the Bank, Seychelles has formally requested for Technical Assistance from the World Bank for the carrying of a second round of self-assessment to be held in the third quarter of 2022. The objectives of the NRA is to provide an overview of the risk in relation to Threats, National Vulnerability, Banking, Securities, Insurance, OFI, DNFPB's, Tax (new module), Environmental Crime, Terrorist Financing (new module) and Beneficial Ownership.

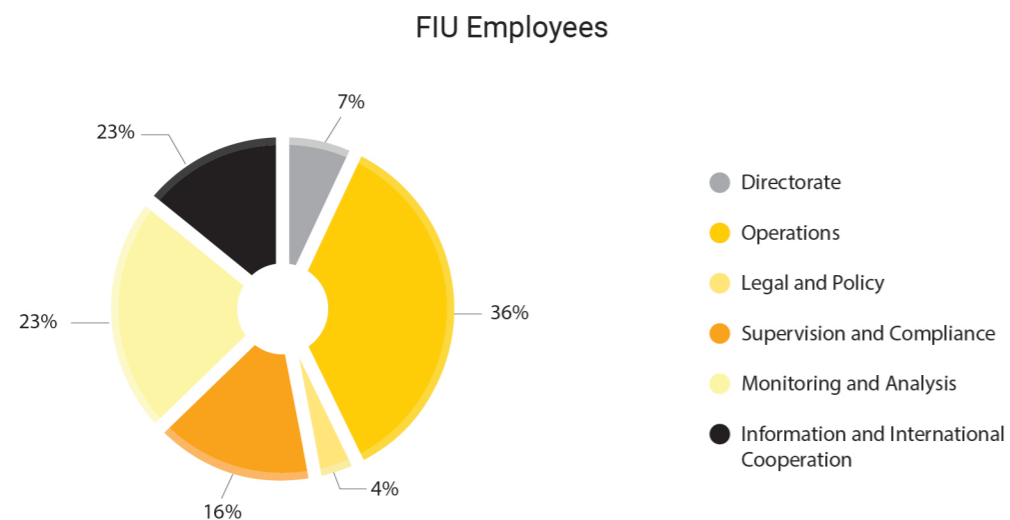
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Enhancing Efficiency and Effectiveness of FIU

Human Resource

FIU Staff Complement

At the end of December 2021, the FIU had a complement of 44 employees. The existing corporate structure of the FIU illustrated per Fig. 1 has been laid out to ensure the maximization of output through its existing resources. Although the FIU faced many challenges as a result of the pandemic in 2021, the FIU worked to improve the efficiency of staff and to make optimal use of its resources and systems in place. Pie chart 3 and Table 32 hereunder illustrates the number of FIU employees per Division for the reporting year.



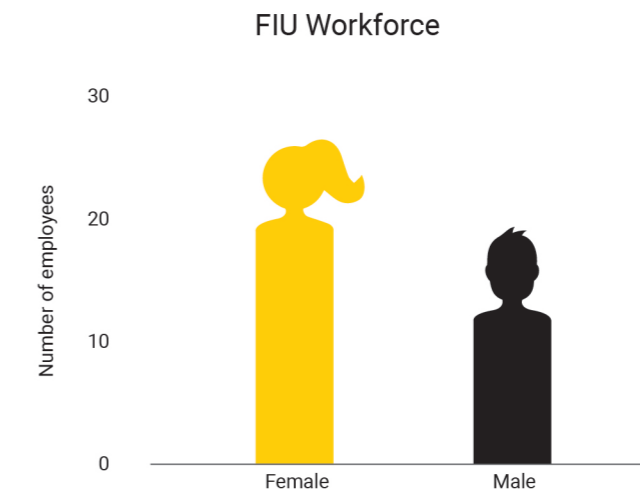
Pie chart 3: Division of Percentage of FIU employees per Division department

Division	Number of Employees
Directorate	3
Operations	16
Legal, Policy & External Relations	2
Supervision & Compliance	7
Information & International Cooperation	6
Monitoring & Analysis	10
Total Headcount	44

Table 32: Number of employees per department

Employee workforce diversity and Gender Profile

The below graph illustrates a composition of 25 female and 19 males as gender profile.



Graph 6: Gender profile of employees

Employee Recruitment

New legislative requirements have increased demand for competent human resource within the financial services sector and has created a dearth in the current talent pool which made it difficult for FIU to retain competent employees, as staff joined the private sector. As such for the reporting period a total of 13 employees were recruited, out of which three of the positions were approved under the FIU budget. Table 33 depicts the total number of recruits per division for 2021.

Division	Number of Recruitment
Directorate	-
Operations	2
Legal, Policy & External Relations	2
Supervision & Compliance	4
Information & International Cooperation	2
Monitoring & Analysis	3
Total Employee Recruitment	13

Table 33: Recruitment over 12 months period

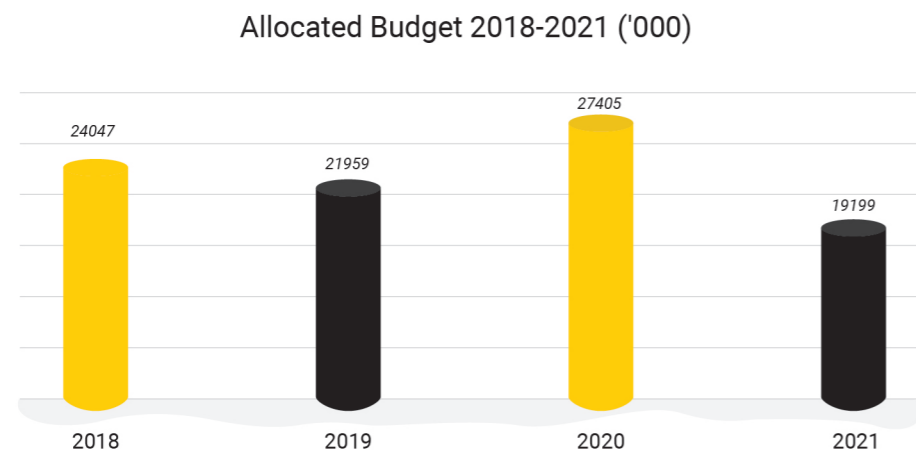
Staff training and Capacity development

Emerging risks within the financial arena relating to the increasing use of digital currencies has forced the FIU to readjust its capacity and training and development plans to include the upskilling of staff, so that the FIU remains updated on the new mediums used by criminals to manipulate the financial system. As such staff development remains paramount to ensure that they have the necessary skills to effectively deliver on the FIU's mandate and mission. Refer to Table 7.1, 7.2, and 7.3 in annexure 7 for further details on some of the most relevant trainings offered to FIU staff throughout the year 2021.

Planning and Budgeting

Finance

The FIU is fully funded by the Government of Seychelles and follows the Programme Performance-Based Budgeting ("PPBB") being spearheaded by the MOFNPT which aims at allocating public resources to prioritized objectives as identified by the budget dependent Ministries, Department and Agencies. The annual budget of the FIU is submitted for approval by the National Assembly. The FIU is accountable to the MOFNPT under the PPBB on the use of allocated budget. For the year 2021, the FIU's total appropriation was approved for the amount SCR 19,199,203.25, although to sustain its operations and deliver on its mandate the FIU submitted a proposed budget SR 22,202,000.00. Graph 6 provides a comparative analysis of the FIU's budget for the past four years.

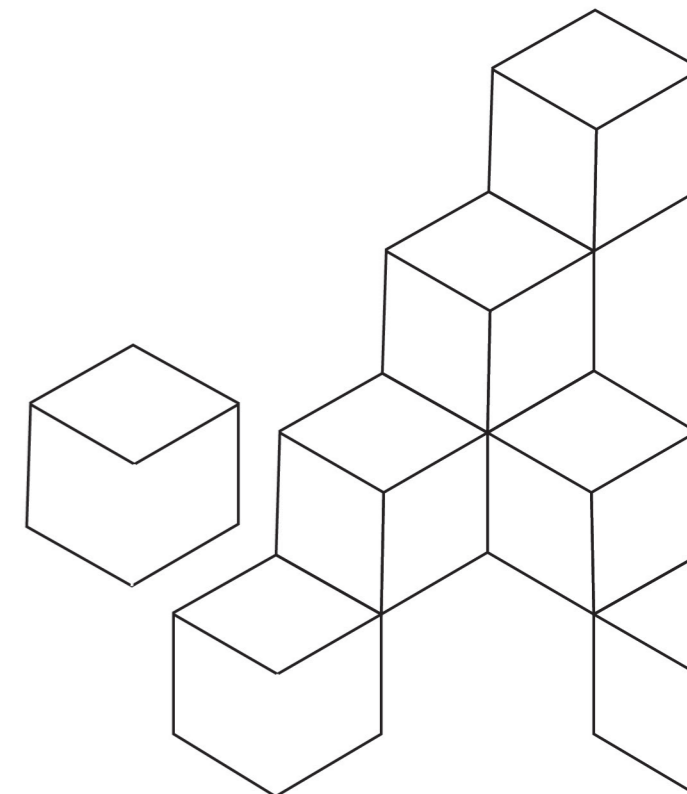


Graph 7: Comparison of FIU's Budget 2018 -2021 ('000)

Information Technology

Aside from the implementation of goAML platform and the set-backs of COVID-19, for 2021 the FIU continued with other upgrades to ensure all its infrastructure is at par with the information security requirements set by the Egmont Group and provide stakeholders assurance that data housed with the FIU is safe, secured and maintains integrity.

Challenges



Challenges

Human Resources and Capacity Management

With the additional functions and powers conferred to FIU under the BO Act, additional pressure was exerted on the limited human resources. The implementation of the BO framework in Seychelles and establishment of the Seychelles BO database was considered as a top priority for the period under review. As such, this impacted the output of the FIU in terms of its other functions. Despite these unforeseen circumstances, the FIU's output for 2021 has been exceptional, as evidenced through statistics.

Staff Retention

New legislative requirements have increased demand for competent human resource within the financial services sector. As a result, considerable challenges have been experienced in relation to FIU's ability to retain competent employees as staff joins private sector.

Awareness and Training.

With the enforcement of public health measures to keep the community safe, the FIU has not been able to satisfactorily roll out its public sensitisation programmes, conduct its on-site plan and develop its supervisory strategy for the NPO sector. Furthermore, the pandemic caused significant delays in the delivery of customized training by UNODC for the full deployment of the goAML platform.

National Coordination

Coordination and intelligence sharing at a domestic level remains a challenge and this has impacted on the effectiveness of technical measures put into place to improve our compliance ratings to FATF standards, as such there is a need to develop and adopt mechanisms to ensure that the all relevant stakeholders effectively delivers on its overarching mandate as espoused under the law.

Shifting Nature of Financial Crimes

There is a significant increase in cyber-enabled crime, particularly fraud. Criminals are changing the way they traditionally commit crime. This has created an additional pressure to the FIU as it receives more international attention with regards to locally registered entities carrying out unlawful activities especially in the digital sphere. As such there is a dire need for the conduct of a national risk assessment to fully understand the threat and risks these entities have in Seychelles.



Case Management System

The FIU does not currently have a case management system, therefore statistics are not being maintained in an integrated system to facilitate retrieval and analysis of information. The FIU is actively seeking technical assistance for this project for 2022.

Data Analysis

Due to delayed progress in the implementation of the fully digitalized (goAML) platform, the FIU is unable to undertake timely conduct of analysis and manipulation of reports. In view that information received are currently being manually handled therefore the reproducing trends and typologies remains a challenge.

Access To Relevant Database

Timely access to relevant financial, administrative and law enforcement information/data, remains a challenge, which could be mitigated through the development of a national centralized depository information system to facilitate access to information.

Feedback on FIU Dissemination

In view of inadequate feedback received from relevant Authorities on intelligence reports disseminated, the FIU remains operationally challenged in its inability to properly assess the quality of analysis conducted. In addition the lack of reporting and in some instance defensive STRs received from some sectors such as BDCs, casinos, capital markets, insurance, REA, MVD, Lawyers & Notaries, would require more effort in 2022 to close the gap.

Information Technology

The development of the BO database severely hindered the FIU's progress in the implementation of the fully digitalized goAML platform for the FIU's core function. However, at the end of the year a new programmer was recruited with the vision to improve, develop and expand the applications used by the FIU. Despite goAML trainers' inability to enter the country, training was conducted in the last quarter of 2021 through the use of digital media.

INFORMATION 10

RISK OF NON-PROFIT ORGANIZATIONS IN TERRORISM FINANCING.

Non-profit Organization refers to a legal person or arrangement or organization that primarily engages in raising or disbursing funds for purposes such as charitable, religious, cultural, educational, social or fraternal purposes, or for the carrying out of other types of “good works”.

NPOs play a vital role in the world economy in their efforts to complement the activity of the governmental and business sectors in providing essential services, comfort and hope to those in need around the world. The ongoing international campaign against terrorist financing has identified cases in which terrorists and terrorist organisations exploit some NPOs for to achieve their objectives.

Vulnerability/ threats to the sector

Vulnerabilities of NPOs to terrorist financing:

Non-financial abuse

- Facilitating radicalization
- the abuse of programmes,
- the structural support for recruitment.

Financial abuse

use funds to meet broad logistical requirements, which include but are not limited to, recruitment, travel and the acquiring of weapons.

- The diversion of funds
- terrorist entities create false representation and started ‘sham’ NPOs to falsely represented themselves as the agents of ‘good works’ in order to receive donors into providing support.
- Crowdfunding



Priorities for the year 2022

Priorities for 2022

NPO RISK ASSESSMENT

The FIU has sought technical assistance from the European Union to assist with the conduct of a risk assessment as it relates to the NPO sector. Two experts have been contracted to assist Seychelles in this project.

Their key objective includes;

- i. The identification of the subset of associations registered under the registration of association act which falls within the FATF definition of NPOs;
- ii. Oversee the conduct of the national risk assessment;
- iii. Develop awareness sessions and training programmes with the NPO sector and the relevant authorities; and
- iv. Assisting with the review of the relevant legislative framework.

It is expected that the project will commence in the first quarter of 2022.

HUMAN RESOURCES

This FIU aims to uphold high-performing employees in a stimulating and responsible working environment. Therefore, the upcoming year the FIU shall increase its talent pool and the skills of the management team, increase employee engagement, staff retention and improve health and safety conditions in the working environment.

SUPERVISORY FUNCTION

Increase compliance level of REs and implement mechanisms to monitor and carry out inspections of Legal Persons specified in Part A of the first schedule of the BO Act to determine the level of compliance. Other areas of priorities are to;

- strengthen oversight and supervision of the DNFBP sector including the NPO sector in strict compliance with international standards;
- have a mechanism to improve asset identification process; and
- propose new analysis and monitoring tools/technology to support the FIU's core function.

TECHNICAL ASSISTANCE & CAPACITY BUILDING

In 2022, the FIU is expected to receive the assistance of two specialists that will be positioned within its Monitoring and Analysis Division for a period of 12 months, to provide guidance, advice and support on internal structures, internal operational processes, procedures and systems within the core function. They will also help to strengthen the quality of the operational and strategic analysis being undertaken by the FIU as well as develop and implement capacity building and mentoring programmes for FIU staff.

INTEGRATED SYSTEM

The FIU remains committed in exploring new IT applications and solutions to allow for the establishment of an integrated central system for maintaining of all FIU records to facilitate access, retrieval and analysis of information.



NATIONAL RISK ASSESSMENT

The FIU, alongside other stakeholders would be participating in the National Risk Assessment scheduled in the third quarter of 2022. The scope and key component for risk assessment is to provide an overall picture of the national ML/TF risks across the AML/CFT regime.

NEW TECHNOLOGIES RISK ASSESSMENT

For the reporting period the FIU has observed an emerging trend in the Seychelles financial system as it relates to VA/VASP. As such, the NAC has committed to undertake a national risk assessment of this sector and the FIU shall be participating in the VASP risk Assessment in collaboration with the FSA, which should commence in quarter 1 of 2022.

DETER AND DETECT FINANCIAL CRIMES

The FIU aims to increase its intelligence capacities by accessing a wider range of commercially held databases which will allow it to strengthen intelligence received and assist in the production of Trend/ Typology, and STR quality Reports to be shared with REs and other relevant Authorities. The FIU also aims to make more efficient use of the CTRR and WTTR databases for detecting financial crimes and the delivery of quality and timely intelligence reports to domestic LEAs.

INCREASE COOPERATION AND PARTNERSHIPS

Enhance inter-agency collaboration to strengthen communication, cooperation and working relationship by entering into MoU's with relevant domestic agencies, such as but not limited to Seychelles Police, AG's office, FSA and ROC. Areas of focus would be in cross cutting functions such as the BO and international request for cooperation. This is to ensure proper alignment of function and effective use of the country's scarce resources. The FIU also aims at raising the understanding of REs through the creation of a public private partnership forum for Compliance Officers, with the objective of improving the detection of potential financial crimes by the relevant gatekeepers to the financial sector.

DIGITALISATION

For the year 2022, the IT unit will undertake full review of its systems to identify ways to improve on performance and digitalization of processes to increase work efficiency. IT aims to deploy new applications to facilitate and reduce time spent on manual tasks. The FIU also aims to launch digitalized reporting systems by both RE's and competent authorities.

APPENDIX 1: Domestic MOUs

S. NO	Name of the Organisation	Date of MOU
1	Seychelles Revenue Commission	04-Jan-09
2	Financial Services Authority and Central Bank (Joint MOU)	6-Oct-2015 & 14-Oct-2015
3	Seychelles Licensing Authority	29-Dec-20
4	Anti- Corruption Commission of Seychelles	14-Aug-20
5	Seychelles Intelligence Service	17-Jul-20
6	AML/ CFT Supervisors	09-Feb-20
7	Seychelles Licensing Authority	5-Mar-21
8	Seychelles Maritime Safety Authority	29-Dec-21

APPENDIX

APPENDIX 2: International MOUs

S. NO	Name of the Organisation	Country	Date of MOU
1	Service de Renseignements Financiers de Madagascar	Madagascar	11-Feb-12
2	Financial Intelligence Centre Republic of South Africa	South Africa	14-May-12 & 23-May-12
3	Financial Reporting Centre of the Republic of Kenya	Kenya	9-Mar-13
4	Financial Intelligence Centre of the Republic of Namibia	Namibia	9-Jul-13
5	FIU, Mauritius	Mauritius	9-Mar-13
6	FIU of the Republic of the Republic Angola	Angola	9-Mar-13
7	Japan Financial Intelligence Center of the National Public Safety Commission of Japan	Japan	27-Jun-13 & 03-Jul-13
8	Federal Financial Monitoring Service (Russian Federation)	Russia	6-Apr-14
9	Australian Federal Police Force	Australia	23-May-14 & 31-May-14
10	FIU of the Republic of Zimbabwe	Zimbabwe	9-Apr-14
11	Financial Intelligence Centre of the Republic of Zambia	Zambia	9-Apr-14
12	Financial Intelligence Authority of the Republic of Uganda	Uganda	25-May-15
13	Belgian Financial Intelligence Processing Unit CTIF	Belgium	26-Sep-16
14	Financial Transactions and Reports Analysis Centre of Canada	Canada	17-Oct-17 & 18-Dec-17
15	Australian Transaction Reports and Analysis Centre	Australia	26-Sep-18
16	FIU of Eswatini	Eswatini	9-Apr-18
17	Financial Intelligence Agency Republic of Botswana	Botswana	9-Mar-18
18	Financial Monitoring Unit of Pakistan	Pakistan	23-Dec-19
19	The Financial Intelligence service of the Republic of Djibouti	Djibouti	15-Jan-20
20	Bangladesh FIU	Bangladesh	29-Jan-20
21	United Republic of Tanzania	Tanzania	26-May-21
22	GIZ (German international cooperation) with ESAAMLG FIUs	Germany	22-Nov-21

Appendix 3: List of Entities to Populate BO Database

Table 3.1: Commencement of populating BO information

Types	Status (As at July 1st, 2021)	Commencement of Population
An international business company incorporated or continued or converted under the International Business Companies Act.	Good standing, Not in Good standing (except struck-off or dissolved)	July 1 st , 2021
A protected cell company incorporated under the Protected Cell Companies Act.	All (except struck-off or dissolved)	July 1 st , 2021
A company incorporated under the Companies (Special Licences) Act.	All (except struck-off or dissolved)	July 1 st , 2021
A foundation established under the Foundations Act.	All (except struck-off or dissolved)	July 1 st , 2021
A resident trustee of an international trust under the International Trusts Act	All (except lapsed or terminated or failed)	July 1 st , 2021
A general partner of a limited partnership under the Limited Partnerships Act	All (except deregistered)	July 1 st , 2021

Appendix 4: Breakdown for Registration of Reporting Entities on go AML

Table 4.1 to provide a breakdown of the completed registration on the Platform by RE per sector.

Reporting Entities	Total No. of Reporting Entities	Total No. of Registered Entities
Accountant/Auditors	57	53
Dealers in Precious Metals & Stones	11	6
Lawyers & Notaries	32	28
Motor Vehicle Dealers	21	16
Pension Fund	1	1
Real Estate Agents	10	6
Total	132	110

Table 4.1: FIU – Reporting Entities

Reporting Entities	Total No. of Reporting Entities	Total No. of Registered Entities
Banking Institutions	8	2
Bureau De Change – Class A	12	7
Bureau De Change – Class B	8	2
Credit Union	1	1
Non-Bank Credit Institutions	2	2
Payment Service Provider	1	1
Total	32	15

Table 4.2: CBS – Reporting Entities

Reporting Entities	Total No. of Reporting Entities	Total No. of Registered Entities
Corporate Service Providers	108	66
Funds Administrator	5	1
Gambling	13	9
Insurance	36	19
Securities	78	49
Total	240	144

Table 4.3: FSA – Reporting Entities

Appendix 5: Guidance and Circulars

No.	Name of Guidelines Issued	Applicable Sector	Date of Issue
1	Guidelines for Registration with FIU	All Reporting Sectors under the First Schedule of AML/CFT Act	February 2021
2	Anti-Money Laundering and Countering the Financing of Terrorism Institutional Risk Assessment Guidelines	All reporting Sectors under the Part C of the First Schedule of AML/CFT Act	February 2021
3	Guidelines for Registration with FIU	All reporting Sectors under the First Schedule of AML/CFT Act	May 2021
4	Guidance for development of AML/CFT Manual	All Reporting Sectors under the First Schedule of AML/CFT Act	October 2021

Table 5.1: List of Guidance Issued to Reporting Entities

Other guidance was provided through guidance notes and circulars as illustrated per Table 33 for the year 2021

Date	Document Type	Document Reference	Sector/ Reporting Entity	Document Title
26-Jan-21	Circular + Guidance	Circular N° 1 of 2021	All Reporting Sectors	Registration of Reporting Entities with the FIU
15-Feb-21	Circular + Guidance	Circular N° 2 of 2021	All Reporting Sectors	Obligation to Identify and Assess Money Laundering and Terrorist Financing Risks
24-Feb-21	Circular	Circular N° 3 of 2021	All Reporting Sectors	Obligations To Apply Enhanced Due Diligence And Enhanced On-Going Monitoring To Higher Risk Jurisdictions
1-Apr-21	Circular + Guidance	Circular N° 4 of 2021	All Reporting Sectors	Currency Transaction & Wire Transfer Threshold Reporting
2-Jun-21	Circular + Guidance	Circular N° 5 of 2021	Resident Agents	Registration of Resident Agents on the Beneficial Ownership Platform
19-Jul-21	Circular	Circular N° 6 of 2021	All Reporting Sectors	Obligation to Identify and Assess Money Laundering and Terrorist Financing Risks
18-Oct-2	Circular + Guidance	Circular N° 7 of 2021	All Reporting Sectors	Obligation For Reporting Entities to Develop and Maintain An AML/CFT Compliance Manual
8-Nov-21	Circular	Circular N° 8 of 2021	All Reporting Sectors	Launch of the Domestic BO Databas

Table 5.2: Guidance Notes and Circulars issues in 2021.

Appendix 6: Appendix 6: Awareness sessions

Date	Sector	Details	Mode
25 th March 2021	Lawyers and Notaries	New AML/CFT Act and Obligations of Reporting Entities	Virtually
14 th June 2021	Precious Stones /Metals	Introduction to the AML /CFT act and why they are considered reporting entity	Virtually
24 th June 2021	Motor Vehicle Dealers	New AML/CFT Act and Obligations of Reporting Entities	Virtually
06 th July 2021	Real Estate Agents	New AML/CFT Act and Obligations of Reporting Entities	Virtually
15 th July 2021	Accountants/Auditors	New AML/CFT Act and Obligations of Reporting Entities	Virtually
July 2021 Aug-Dec 2021	Precious Stones /Metals	Introduction to the AML/CFT act and why they are considered reporting entity	Face-to Face

Table 6.1: Awareness sessions conducted for the year 2021.

Moreover, reporting entities were also invited to participate in workshops conducted by international stakeholders which is outlined in table table 6.2 below.

Date	Awareness/ Outreach Type	Sector/ Reporting Entity	Details	Facilitator
30 th March 2021 31 st March 2021	Virtually	All Reporting Entities	Workshop on Beneficial Ownership Standard and Country Implementation	World Bank/UNODC
16 th June 2021	Virtually	All Reporting Entities	webinar on countering proliferation finance for the private sector stakeholders in Seychelles	RUSI
12 th May 2021 13 th May 2021	Virtually	All Reporting Entities	Workshop on Improving STRSAR Quality	ECOFEL
28 th June 2021 29 th June 2021 30 th June 2021	Virtually	All Reporting Entities	Workshop on ESAAMLG Domestic Coordination, International Cooperation & Information Sharing	ESAAMLG/ UNOCT- UNCCT
05 th November 2021	Virtually	All Reporting Entities	Webinar on AML/CFT	Refinitiv

Table 6.2: Awareness Sessions in 2021.

Date	Mode of Awareness	Sector	Details
14 th June 2021	Virtually	Precious Metals and Stones (Jouel/Kreol'or)	Introduction to AML/CFT Act
14 th June 2021	Virtually	Precious Metals and Stones (African Jewels)	Introduction to AML/CFT Act
16 th June 2021	Virtually	Precious Metals and Stones (George Simon)	Introduction to AML/CFT Act
22 nd June 2021	Face-to-Face	Precious Metals and Stones (Swarovski)	Introduction to AML/CFT Act
13 th July 2021	Face-to-Face	Precious Metals and Stones (Douglas Jewellers Engraver and Goldsmith)	Introduction to AML/CFT Act
20 th July 2021	Face-to-Face	Precious Metals and Stones (Regis Mein)	Introduction to AML/CFT Act
27 th July 2021	Face-to-Face	Precious Metals and Stones (Island Jewellers)	Introduction to AML/CFT Act
28 th July 2021	Face-to-Face	Precious Metals and Stones Carbognin (Mrs. Mary Carbognin)	Introduction to AML/CFT Act
18 th August 2021	Face-to-Face	Precious Metals and Stones Just4U	Introduction to AML/CFT Act
14 th June 2021	Virtually	Precious Metals and Stones (African Jewels)	Introduction to AML/CFT Act

Table 6.3: Awareness sessions to the Precious Metal and Precious stone dealers

APPENDIX 7: Staff training and Capacity development

Table 7.1: Virtual International Seminars/Workshops and Trainings

Seminars/Workshop 2021	Participants	Details
Egmont Group Working Group Virtual Meetings	2	Egmont Group-Virtual
IEWG Project Team Meeting - Asset Recovery: The Role of FIUs	4	Egmont Plenary-Virtual
IEWG Project Team Meeting - Digital Transformation for AML/CFT Purposes	2	Egmont Plenary-Virtual
IT Professionals Meeting	2	Egmont Plenary-Virtual
Technical Assistance and Training Working Group Meeting	1	Egmont Plenary-Virtual
Information Exchange Working Group Meeting	8	Egmont Plenary-Virtual
Membership, Support and Compliance Working Group Meeting	1	Egmont Plenary-Virtual
Policy and Procedures Working Group Meeting	1	Egmont Plenary-Virtual
OTS1: The Flexible, Consistent Information Exchange Standards-Moving to Production	14	Egmont Plenary-Virtual
HoFIU & EC Closed Session - Discussion on the Outcomes of the Egmont IT Review	1	Egmont Plenary-Virtual
HoFIU Webinar 1: FIUs and the Risk-Based Approach: An Environmental Scan and Implementation	2	Egmont Plenary-Virtual
OTS2: Combatting Online Child Sexual Abuse & Exploitation: One Year Later	4	Egmont Plenary-Virtual
Tackling Human Trafficking	12	Egmont Plenary-Virtual
HoFIU Webinar 2: FIU Processes and Data Protection in the Application of the RBA	3	Egmont Plenary-Virtual
HoFIU Webinar 3: FIUs Making a Difference through Financial Intelligence	2	Egmont Plenary-Virtual
OTS4: Introduction to the New Egmont Secure Web and Egmont Biennial Census 2021	7	Egmont Plenary-Virtual
Understanding of the AML/CFT Requirements for VAs and VASPs for Regulators/Supervisors	16	ESAAMLG-Virtual
Global Webinar: Cooperation between national customs authorities and FIUs	8	Egmont- virtual
42nd ESAAMLG Task Force of Senior Officers	6	ESAAMLG- Virtual

5 th Global Conference on Criminal Finances and Cryptocurrencies	1	Interpol-Virtual
Meeting of the Heads of FIUs of the Greater Horn and Southern African Countries	1	Nairobi, Kenya

Table 7.2: Domestic Workshops and Training

Seminars/Workshop 2021	Participants	Details
Managing People	18	Guy Morel Institute
Certificate in Public Procurement	01	Guy Morel Institute

Table 7.3: Professional Qualifications.

Seminars/Workshop 2021	Participants	Details
ICA International Advanced Certificate in Anti Money Laundering	2	International Compliance Association (ICA) -UK
CIPD Certificate in Human Resource Management	1	Avado Learning-UK

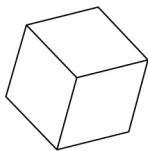
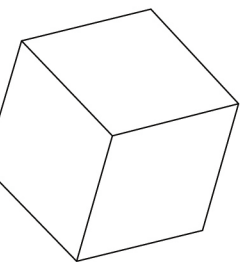
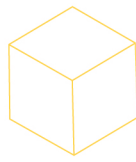
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