

2023
ANNUAL REPORT



**FINANCIAL INTELLIGENCE UNIT
ANNUAL REPORT 2023**

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List of Acronyms and Abbreviations

ACCS	Anti-Corruption Commission Seychelles
ACO	Alternate Compliance Officer
AGO	Attorney General's Office
AFI	Alliance for Financial Inclusion
AML/CFT	Anti-Money Laundering and Countering the Financing of Terrorism
BDC	Bureau de Change
BO	Beneficial Owner
CTTR	Cash Transaction Threshold Report
CBS	Central Bank of Seychelles
CFT	Countering the Financing of Terrorism
COMESA	Common Market for Eastern and Southern Africa
CO	Compliance Officer
DNFBPs	Designated Non-Financial Businesses and Professions
ECOFEL	Egmont Centre of FIU Excellence and Leadership
ESA	Eastern and Southern Africa
ESAAMLG	Eastern and Southern Africa Anti- Money Laundering Group
FATF	Financial Action Task Force
FI	Financial Institutions
FIU	Financial Intelligence Unit
FCIU	Financial Crime Investigation Unit
FSA	Financial Services Authority
goAML	goAML Web Application
IBC	International Business Company
LEAs	Law Enforcement Agencies
LP	Legal Professionals
ME	Mutual Evaluation

MER	Mutual Evaluation Report
ML	Money Laundering
MOFNPT	Ministry of Finance, National Planning and Trade
NRA	National Risk Assessment
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 Organisations
PPP	Public Private Partnerships
REA	Real Estate Agent
RFI	Request for Information
SMSA	Seychelles Maritime Safety Authority
SLA	Seychelles Licensing 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/VASP	Virtual Asset/Virtual Asset Service Provider
WTTR	Wire Transfer Threshold Report

Submission of the Annual Report to the Minister responsible for Finance



SEYCHELLES
FIU

FINANCIAL INTELLIGENCE UNIT

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April 2024

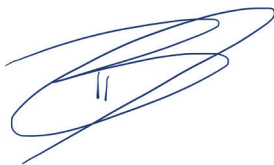
The Honourable Naadir Hassan
Minister of Finance, National Planning & Trade
Liberty House
Victoria,
Mahé,
Seychelles

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 have the honour to present a copy of the Annual Report for the Financial Intelligence Unit for the year ending 31 December 2023.

The report outlines the activities of the FIU during 2023 in the pursuit of its statutory remit.

Respectfully yours,



Richard J. Rampal
Director



VISION, MISSION, VALUES

Our Vision

Safeguarding our island state from financial crimes



Our Mission

To deter, detect and disrupt domestic and international money laundering, terrorism financing and proliferation financing and contribute to a resilient financial system through ensuring regulatory compliance, effective supervision, the development of high-quality intelligence reports and the enhancement of domestic and international cooperation in line with international best practices and standards.

Our Values

- F**airness and Mutual respect in the workplace.
- I**ntegrity and confidentiality.
- U**ncompromising in the pursuit of truth.

Director's Foreword



It is with honor and pride that I present the 2023 annual report of the Seychelles Financial Intelligence Unit (FIU). As I commence this foreword, I extend my deepest appreciation to the team at the FIU, whose steadfast commitment has yet again propelled our organization to remarkable achievements amidst numerous challenges. The FIU holds a distinctive position within the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) landscape as a producer of financial intelligence which supports investigations by law enforcement agencies and other competent authorities and as an AML/CFT regulatory authority. We remain committed to leveraging this position to advance our vision of safeguarding Seychelles from financial crimes.

In the year 2023, we embarked on a new journey, that of implementing our Strategic Plan 2023-2025. Underpinning this strategic blueprint are four pillars: Compliance and Enforcement, Financial Intelligence & Partnerships, Innovation & Technology Driven and Our Workforce. Progressing in alignment with these pillars, the FIU has taken significant strides towards fulfilling the outlined objectives. We have introduced a new component to our Strategic Plan, the establishment of a Performance Review Team. At the end of the first year of implementing our plan, the review team concluded that we are making strides in the attainment of the objectives set and recommended that we focus on collecting accurate and up to date data to better document our endeavors.

STR/SAR Analysis/Information Exchange

In 2023, the FIU witnessed a notable uptick in Suspicious Transaction Reports (STRs), recording a 37% increase from the previous year, with a total of 291 STRs filed, alongside 336 voluntary disclosures. Additionally, 255 intelligence reports were disseminated, underscoring the pivotal role of the FIU in furnishing high-quality intelligence reports that serve as a critical component in the nation's fight against financial misconduct. The showcased case studies within this report provide tangible evidence of how our financial intelligence bolsters the pursuit of justice. Moving forward, the FIU remains committed to delivering unparalleled intelligence reports, continuously refining our methodologies based on constructive feedback.

As has been our commitment in preceding years, the FIU remains resolute in facilitating information exchange, in the prescribed and a timely manner. At the year ending December 2023, we had responded to 395 international requests for information and made 25 international requests. We are eager to continue to be forthcoming in our role as the central point for information exchange on financial intelligence and where possible define our interactions with willing countries bilaterally through the establishment of Memoranda of Understanding (MoU).

Monitoring and Supervising Compliance

As we continue to put efforts in supervision and compliance, the Unit has placed tremendous efforts in Beneficial Ownership (BO) examinations, where we have been looking closely at the legal persons under our purview and issued a total of 245 directions to those that we found to be non-compliant to the BO Act. It is important to note that this has followed several awareness programs which included what we have termed as 'BO Clinics' an initiative that allows FIU officers to support legal persons in the domestic sector to become compliant with the Act. In the forthcoming year, we intend on implementing our enforcement policy, that will not only strengthen our enforcement regime but standardize the country's approach to enforcement for all supervisory authorities.

Whether it is in terms of the BO Act or the AML/CFT Act, the FIU remains dynamically engaged in reviewing and recalibrating its strategies to ensure the efficacy of our supervisory measures.

Richard J. Rampal

Director of the FIU



Strategic Alliances, Co-operation, and Collaboration

In 2023, in recognition of the value that information from reporting entities has on analysis, intelligence and our understanding of trends, patterns and criminal typologies, the FIU took steps to initiate its public-private partnerships (PPP) program. Though in its infancy, the program saw the FIU host a session with the Seychelles Banker's Association and its members where discussions centered on submission of STRs and emerging issues. It provided room for two-way feedback and led to the conclusion that financial crimes may only be deterred through the collective approach of both the public and the private sector. The event, which took place in the month of October marked the beginning of an important partnership between the FIU and the compliance officers of the banks in the Seychelles. Looking ahead we are committed to work towards the development of a framework for PPP and to engage with the banks on a one-on-one basis.

During the year under review, the FIU, as part of its national efforts, provided leadership and considerable time and effort to several initiatives to address the remaining technical compliance deficiencies. Following the hard work and commitment of key institutions, FIU, being the Secretariat for the National AML/CFT Committee, applied for re-rating for five (5) of the six (6) outstanding Financial Action Task Force (FATF) recommendations. Based on the initial feedback we are looking forward to a positive reply from our FATF style regional body; the Eastern and Southern Africa Money Laundering Group (ESAAMLG). Regardless of the outcome the team stands ready to continue to persevere in 2024 and looking forward to showcasing our successes in terms of effectiveness.

Looking Ahead

As we close the 2023 chapter, I, on behalf of the entire FIU team, reaffirm our pledge to safeguard the pristine beauty of our islands from the scourge of financial crimes. Looking towards the horizon of 2024, we envisage a period characterized by modernization and innovation, harnessing the power of technology to enhance our operational efficiency and effectiveness. We are anticipating the full implementation of the goAML platform which will improve the quality and timeliness of reporting and enhance our analytical capabilities, building internal capacities to fulfill new responsibilities in terms of the virtual asset (VA) framework and focusing on measures to improve on effectiveness of our mechanisms and processes in preparation for the new mutual evaluation of our jurisdiction.

In conclusion, I extend my deepest gratitude to the indefatigable FIU team, whose collective efforts serve as the cornerstone of our achievements. With determination and synergy, I am confident that the year ahead holds the promise of yet another remarkable chapter in our journey towards safeguarding Seychelles from financial crimes.

I would also like to thank our stakeholders for their dedicated support in advancing the FIU's strategic goals.



Richard J. Rampal

Year In Review

Suspicious Transaction Reports made

291

Voluntary Disclosure received

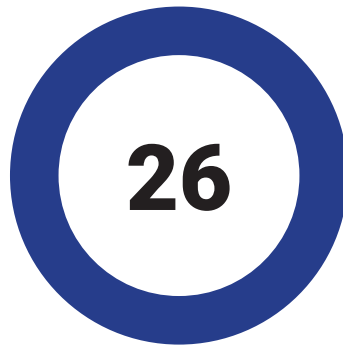
336

Intelligence Disseminations made

255



International Requests for Information responded to

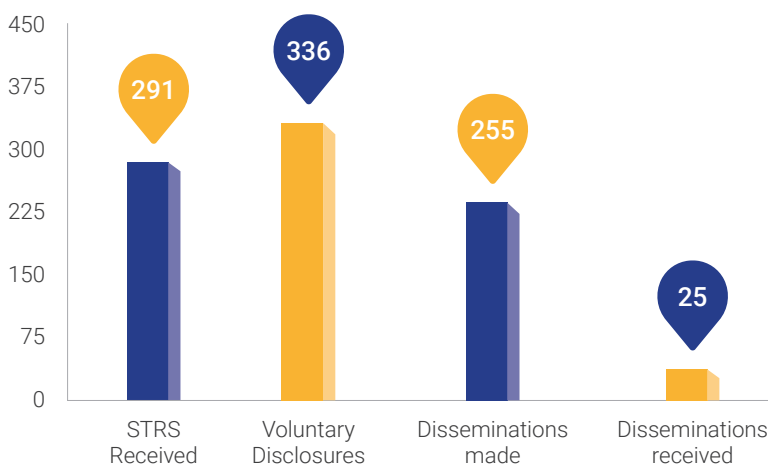


International Requests for information made



Directions for Non-Compliance to the BO Act issued

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



Average Age



FIU Employees

- 7% Directorate
- 27% Corporate Affairs
- 9% Legal & Compliance
- 23% Monitoring and Analysis
- 34% Information Technology

FIU Egmont Members



Our Staff Demographics

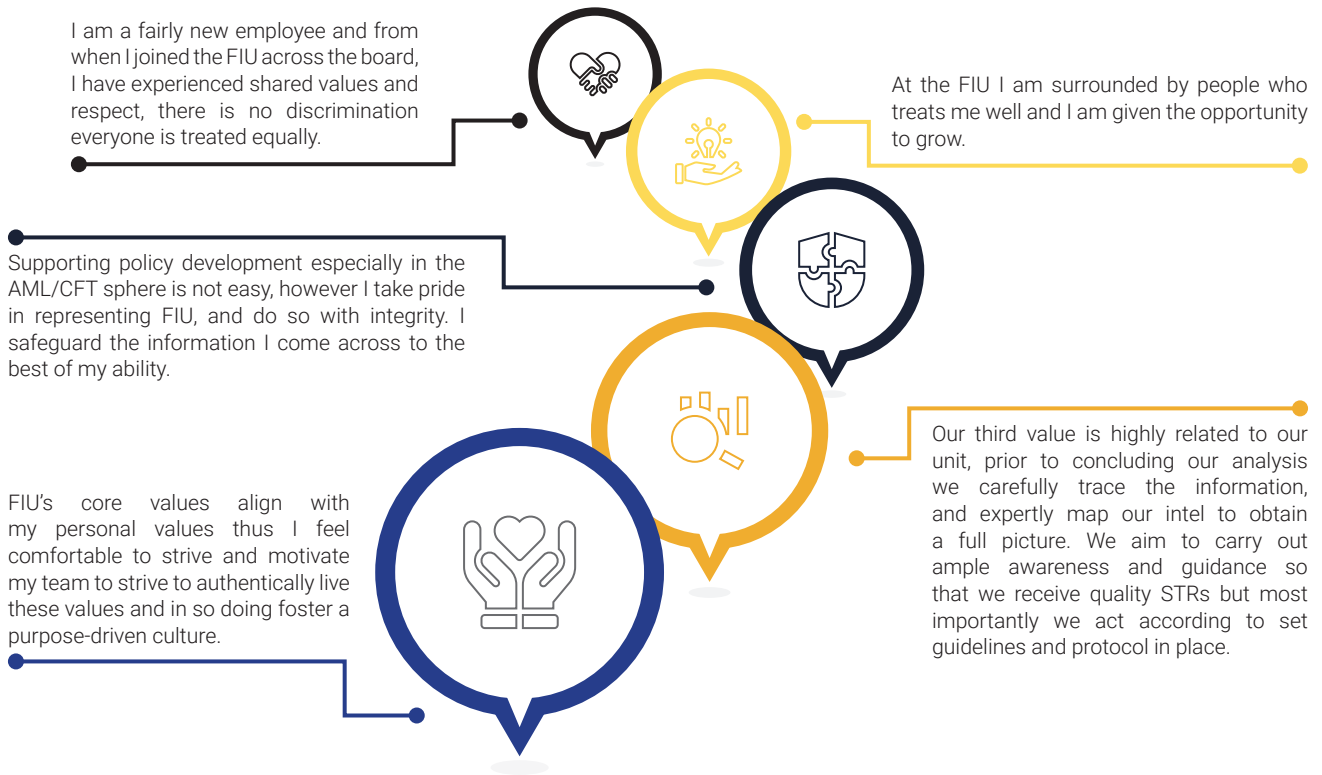




Chapter 1

The Seychelles FIU

We live our values



Life at the Seychelles FIU



I am excited to share my experience as I settle in my new role at the FIU.

The staff and management were most welcoming.

I started off with a well organised induction where the outgoing person (from the post I am now occupying) was instrumental in ensuring that I experience a smooth transition into the organisation. I was truly grateful and felt that I was off to a great start.

From then, in my daily interactions, I feel that the journey so far has been positive, and inclusive.

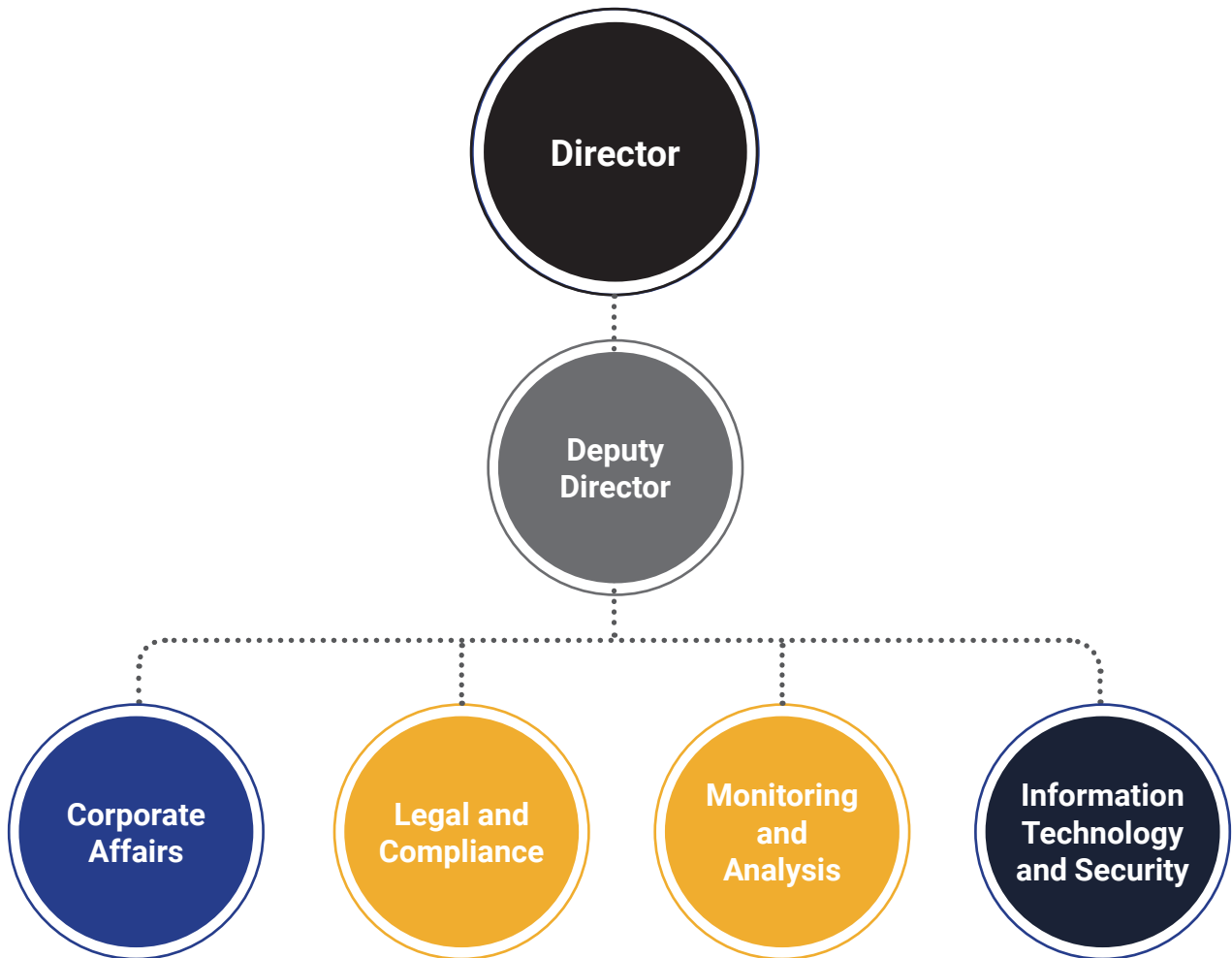
It makes me happy to note that the staff are goal-oriented and felt pleased to be part of an organisation with a well-established performance management system.

Due to my curiosity, and the willingness to share information demonstrated by my colleagues, I have been able to navigate and get to know the functions of each unit and division. I am also getting the opportunity to know my colleagues as well.

As a result, each day I look forward to contributing my skills, working, and collaborating in teams towards our common goals and making a positive impact at the FIU.

- Employee who joined the FIU in 2023.

Our Organizational Structure



The Corporate Affairs Division is responsible for the provision of operational support for the execution of FIU's work. The primary functions of this Division include human resources management, financial and administrative management.

Legal and Compliance Division is responsible to protect and advance the interest of the FIU, provide policy advice, related to AML/CFT matters, manage relationship with stakeholders and monitor and supervise the compliance of reporting entities with the AML/CFT Act and BO Act.

Monitoring and Analysis Division is responsible for the analysis of STRs, dissemination of actionable intelligence, deter and detect money laundering, proliferation & terrorist financing including using virtual assets, conducting strategic analysis, and handling of all domestic and international exchange of information.

Information Technology and Security Division is responsible for FIU's information and technology needs, cyber security, as well as maintaining the goAML platform and the Seychelles Beneficial Ownership Database.

Overview of the FIU

Recommendation 29 of the FATF forty (40) recommendations requires countries to establish an FIU with the responsibility for acting as a national centre for receipt and analysis of suspicious transaction reports and other information relevant to money laundering, associated predicate offences and terrorist financing, and for the dissemination of the results of that analysis. The Seychelles FIU operates as an administrative FIU where it receives, analyse, and disseminate suspicious transaction and other reports. It does not have investigative or prosecutorial powers and it functions 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 objectives and functions of the FIU.

For the purposes of the Beneficial Ownership Act 2020, the FIU has been designated as the ‘Competent Authority’ in respect to the domestic legal persons and legal arrangements specified in Part A of the First Schedule. The FIU is also designated as the nodal agency to maintain the Seychelles Beneficial Ownership database with all security measures to keep the data intact in the database.

The roles of the FIU



The FIU Budget 2023

In accordance with section 21 of the AML/CFT, Act 2020 the funds of the FIU consist of monies appropriated by the National Assembly for the use of the FIU, any Government grants including sums from the Asset Recovery Fund and the designated account, made to it and any donations received with the prior written approval of the Minister. For the year 2023, the FIU was appropriated a total of SR 25.36 million by the National Assembly, of which SR 14.83 million was allocated to programme 1; Governance, Management and Administration and SR 10.5 million to programme 2; the programme that supports the FIU in fulfilling its core technical functions as prescribed under Part V of the AML/CFT Act 2020.

Budget SR 25,357.492.01

Programme 1 SR 14,831,616.15	Programme 2 SR 10,525,875.86
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Expenditure

Programme 1 SR 13,929,937.54 (94% of the actual budget)	Programme 2 SR 9,261,184.55 (88% of the actual budget)
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Chart: Budget and Expenditure

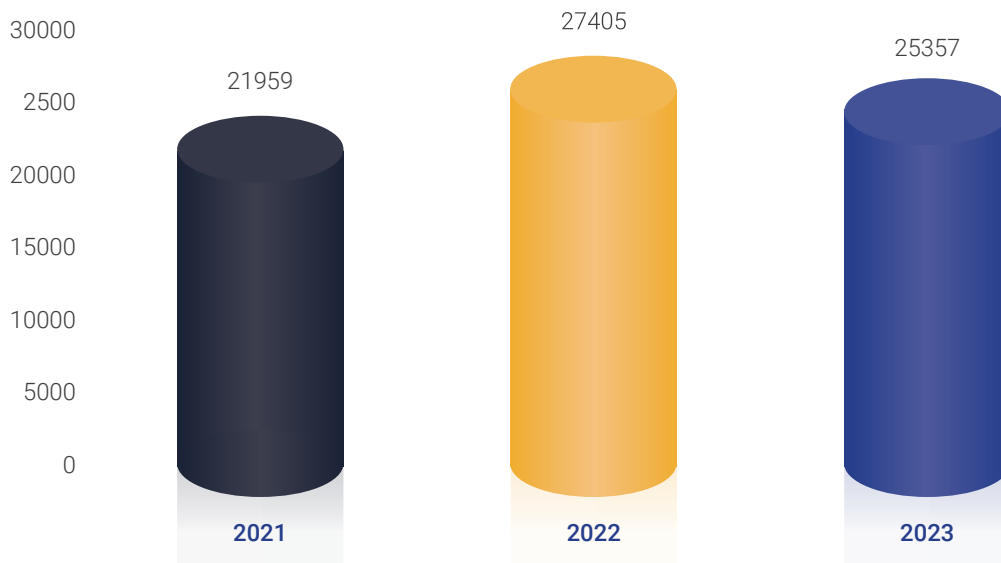


Figure 1: Allocated budget 2021-2023

Allocated Budget 2021-2023

The FIU continuously keeps proper accounts and other relevant record of accounts and prepare in each financial year a statement in such form and manner approved by the Auditor General. The accounts are audited in accordance with Article 158 of the constitution.

¹ Please note that the amount has been rounded off for ease of reference.

Recommendations and Corresponding Ratings





Chapter 2

2023 in Review

Strategic Plan Progress



The Strategic planning process identified forty-two (42) main activities to be completed for the organization to attain its strategic objectives. Twelve (12) activities are under pillar 1, eleven (11) are under pillar 2, ten (10) activities are under pillar 3 and nine (9) activities were outlined for pillar 4. Following the review conducted towards the end of 2023 it was concluded that the Unit has completed all the activities that were outlined to be completed in the year 2023. Activities pending are those that are continuous in nature or were scheduled to be completed in 2024-2025. (See Annex 1: Table 1: Strategic Plan Status 2023-2025 for detailed status).

Key Facts and Figures

Financial Intelligence

The members of the Operational and Tactical Analysis (OPTAC) Unit are continuously engaging in key training and workshops both nationally and internationally to keep abreast with the evolving financial crimes trend and patterns. The unit received 291 Suspicious Transaction Reports (STRs) in 2023 which represents an increase of around 37% from 2022, where the STRs received was 212. The FIU notes, however, that the majority of the STRs were from a few sectors, while other sectors produced very little or even no reporting. Additionally, a total of 550 disclosures were received in 2023 whereby 336 were disclosed by the virtual asset service providers.

The FIU launched the goAML platform for reporting of suspicious transactions and activities in June 2023. The platform is operational, and reporting entities are utilizing goAML to submit their suspicious reports. An analysis of the report submitted in 2023 revealed that among the 185 STRs submitted via goAML, 8% were rejected due to incomplete fields, with an additional 10% rejected due to unclear suspicions. Reporting entities generally provide supporting documents (such as identification documents, proof of address, bank statements, transaction receipts, certificate of incorporation) along with the STR. However, some submitted reports lack these crucial documents. It is essential for reporting entities to include these documents to enable the FIU to make informed decisions and take effective actions. While there has been improvement in the quality of reports, there is still a need to focus on describing the reasons for suspicion, particularly in providing detailed analysis of the facts leading to suspicion.

As in previous years, the top three (3) reporting sectors remained the bank and non-bank institutions (71%), Fiduciary (10%) and Bureau De Change (8%). However, it is noteworthy that the FIU has observed an increase in the number of STRs submitted by the capital market sector.

Type of reporting entity	2021	2022	2023
Bank and Non-Bank Institutions	193	145	206
Fiduciary	45	36	30
Capital Market	17	9	19
Bureau de Change	13	17	23
Insurance	6	1	8
Gambling	1	3	1
Lawyers	0	1	1
Supervisory Authorities	0	0	3
Real Estate Agents	0	0	0
Total Reports for the year	275	212	291

Table 4: Suspicious Transaction Reports received by sector.

In view that the majority of the STRs were submitted by banking and non-banking institutions, it follows that a large percentage of the reason for reporting is unusual account activity (38%) and unusual cash deposit (15%). Reports of unusual account activity involve accounts where the transaction pattern of the client does not match its profile with the institution. An unusual cash deposit is strictly cash deposits to an account that is not in line with the customer’s profile. Non-compliance with requests from reporting entities for customers to provide due diligence documentations or further information related to a transaction or activity has also been a top factor for reporting at 14%.

The FIU has identified an increase in reporting for fraud (13%) in 2023 compared to 8% in 2022. Analysis identified that these reports were disclosed by different sectors such as banking, capital markets, bureau de change and fiduciary. The suspicious activity leading to the suspicion involves registration with fraudulent or fake due diligence documents, wire fraud, credit card fraud and investment fraud. Out of the total number of disseminations made in 2023, 19% were fraud related cases that were referred to the relevant authorities for further investigation or as intelligence.

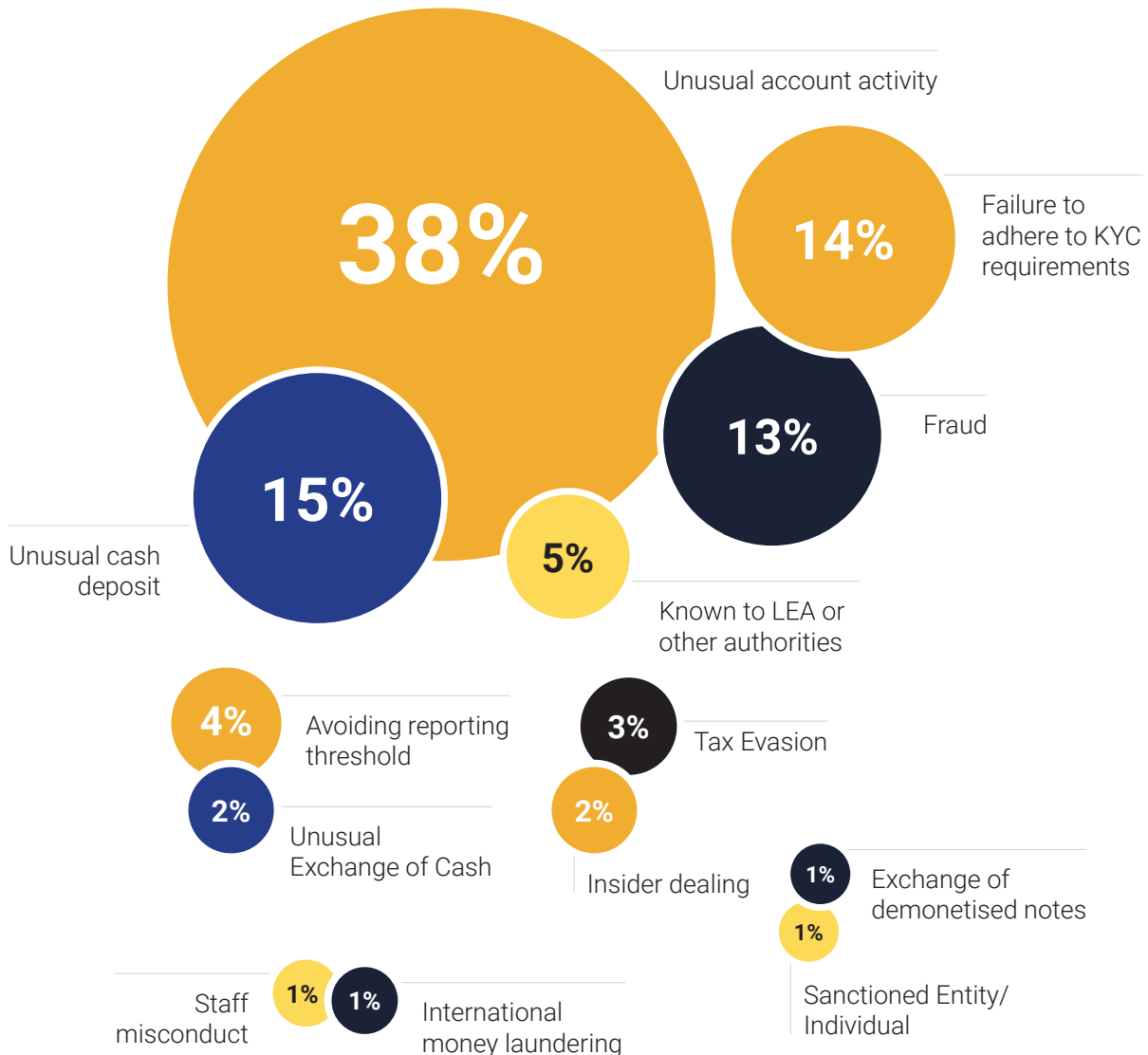
FIU use of Financial Intelligence

At the forefront of combatting financial crimes and ensuring the integrity of Seychelles’ financial landscape, Seychelles FIU employs a robust framework for financial intelligence. This process involves the gathering, analysis, and dissemination of vital information to detect and deter illicit financial activities such as money laundering and terrorist financing. Operating within stringent legal parameters, Seychelles FIU utilizes appropriate methodologies and tools to uncover patterns of suspicious financial behaviour. By fostering collaboration with both domestic and international partners, Seychelles FIU amplifies its capacity and efficacy in identifying and disrupting financial crimes.



² According to CBS Bank refers to all registered banks in the Seychelles and Non-Bank refers to Housing Financing Company Limited, Credit Union and Development Bank Seychelles.

Main reasons for suspicion reported

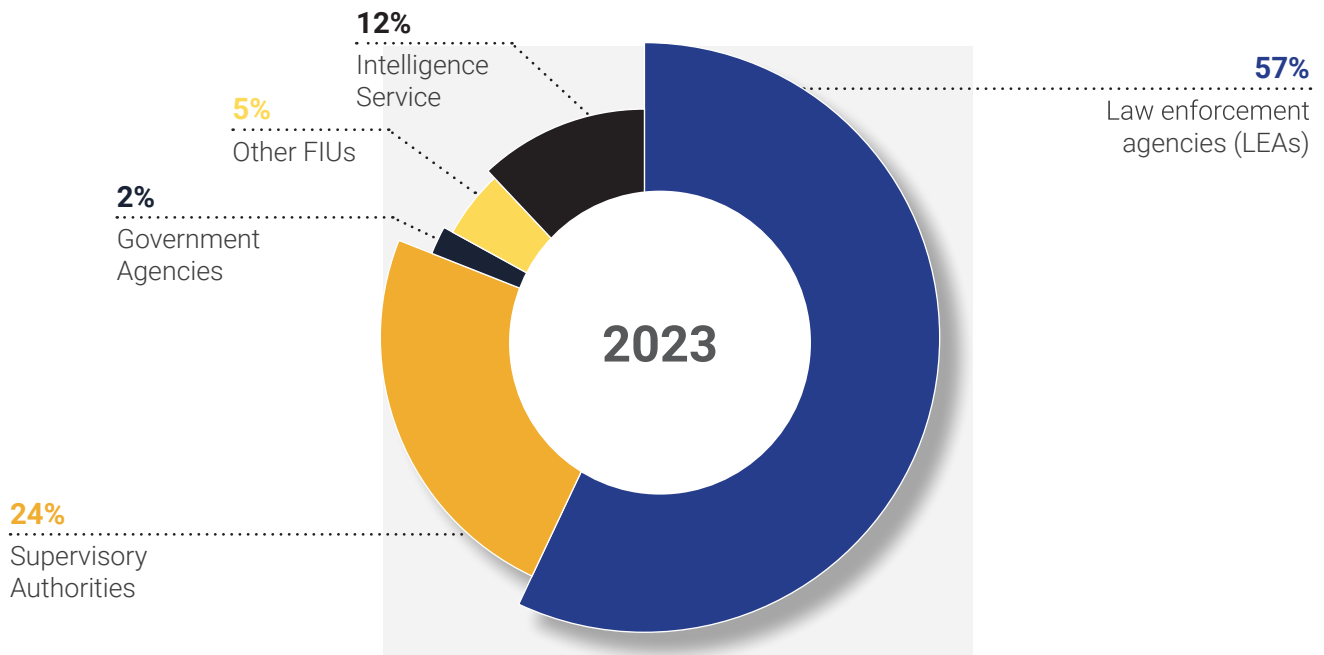


The number of domestic disseminations saw a notable 31% increase in 2023 compared to the preceding year. Despite this uptick, the figures for domestic dissemination in 2023, though showing improvement, still fell short of those recorded in 2021. Nonetheless, the FIU continues to share its expertise in both its analytical work and exchange of information network by assisting law enforcement agencies through its commitment in specialized inter agency working groups that have been set up. The FIU has been engaged in 4 different investigative task force dedicating its expertise and using its powers under the AML/CFT Act to gather intelligence to build on the case. Some cases have already progressed to prosecution stages, underscoring the effectiveness of these collaborative efforts. The FIU has put emphasis on receiving feedback on its disseminations made. There has been a considerable increase in the number of feedback obtained in 2023, which has allowed the FIU to adapt its intelligence reports to better meet its recipients' needs.

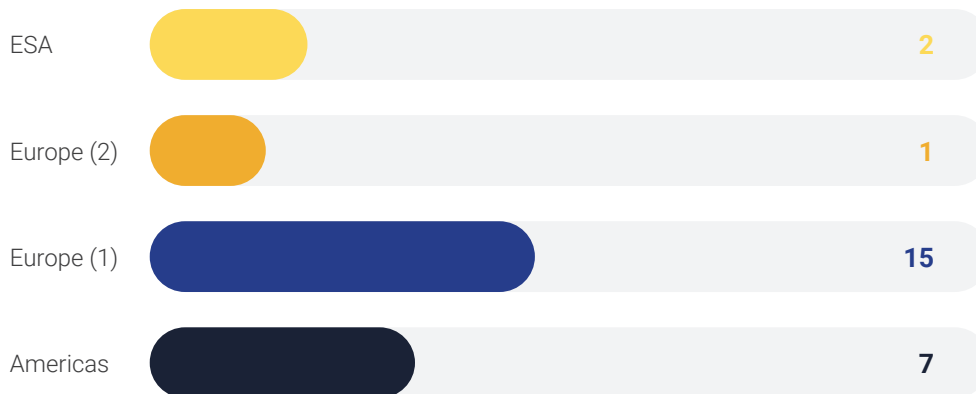
Entities	2021	2022	2023
Domestic	137	64	84
International	21	18	171

Table 5: Disseminations 2021, 2022, 2023

Percentage Disseminations for 2023



Spontaneous disseminations – Incoming



The FIU not only sends out spontaneous dissemination but also receive spontaneous dissemination from its stakeholders. In 2023, the FIU received a total of 25 spontaneous disseminations from its international counterparts. 48 % of the spontaneous disseminations were in relation to a suspicious transaction submitted in the particular jurisdiction and involving either a local entity or individual. In terms of outgoing international spontaneous disseminations, the FIU sent 171 reports in 2023. Even if the figure for international dissemination in 2023 far surpasses the figure for 2022, it is worth noting that the increase is largely due to a spontaneous dissemination that was made to several jurisdictions (167) in relation to an ongoing investigation in Seychelles. The other disseminations made were in relation to fraud as the prevailing offence.

In 2023, the FIU documented four instances of outgoing spontaneous disseminations: one originating from Europe 1 and three from Europe 2. Furthermore, during this period, no spontaneous disseminations were recorded to the Americas, Asia Pacific, ESA, or the Middle East & North Africa region.

Europe I and II refers to the Egmont Europe classification where Egmont I comprises 29 FIUs from member jurisdictions and Europe II comprises 24 FIUs from member jurisdictions (Ref: Home - Egmont Group).



Other Disclosures – Virtual Assets

Despite the absence of regulatory frameworks in the virtual assets sector, the FIU recognized the importance of preparing for imminent regulation and oversight of VA/VASP activities. Consequently, the FIU established a dedicated unit comprising of two (2) VA/VASP Analysts. In 2023, the FIU actively participated in the Seychelles Virtual Assets (VA) and Virtual Assets Service Providers (VASPs) working group. Throughout the year, this team, supported by field experts, meticulously reviewed all disclosures received. Their primary goal was to identify emerging trends and patterns within the virtual assets landscape. Additionally, they facilitated disclosures to Law Enforcement Agencies (LEAs) to ensure the sharing of pertinent information for investigative purposes. The FIU's involvement in the working group was instrumental in shaping the country's policy position on a regulatory framework for VA/VASP. Leveraging insights gained from disclosures, the FIU provided valuable context to discussions on potential policy positions. This collaborative effort underscores FIU's commitment to proactive engagement and informed decision-making in the evolving realm of virtual assets regulation.

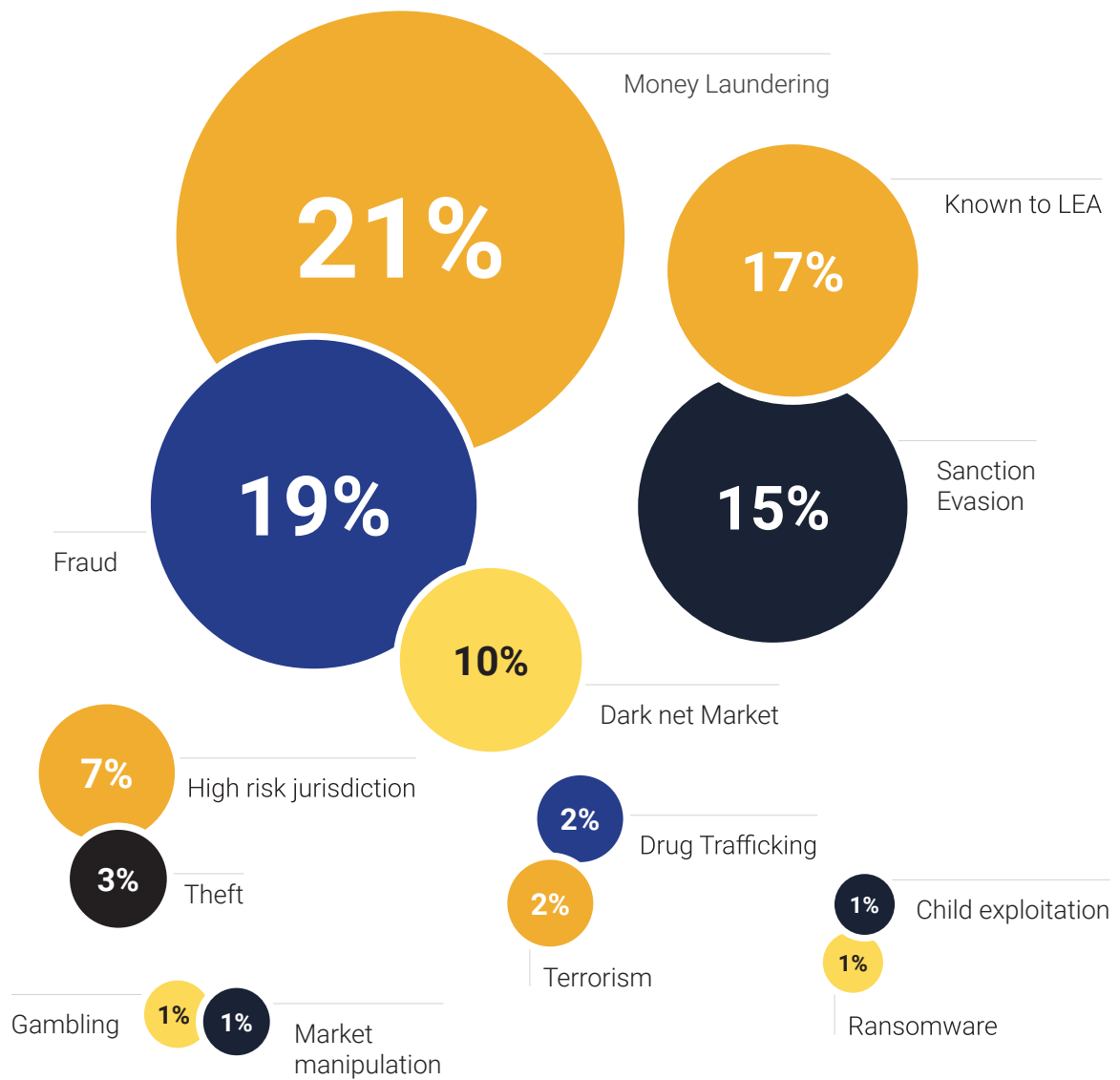
Throughout 2023, the FIU recorded a total of 336 voluntary disclosures from the VASPs. Notably, as VASPs were not subject to regulation, the 336 disclosures received in 2023 were voluntarily submitted by these non-reporting entities.

Voluntary Disclosures 2023

For the year 2021, 2022 and 2023 the FIU received a total of 906 voluntary disclosures. In the span of three years, voluntary disclosures by non-reporting entities exhibited a discernible upward trajectory, from 293 in 2021, to 277 in 2022, and a significant surge to 336 in 2023. This consistent growth reflects an evolving landscape of transparency and accountability within corporate governance, emphasizing the increasing importance of stakeholder engagement and sustainable reporting practices.

The prevalent nature of suspicion related to VASP disclosures is multifaceted. Money Laundering emerges as a primary reason for reporting due to the widespread occurrence of suspicious activity, which is often generalized without clearly identifying the specific nature of the suspicious act. Additionally, fraud constitutes one of the top reasons for reporting, accounting for 19% of cases, with investment fraud being the most prevalent form.

Main criminalities related to VASP disclosures.



**Trends and Patterns:
Casestudy 1**

Virtual Assets Scam

The Seychelles FIU received a Voluntary Disclosure from a Virtual Asset Service Provider X (“VASP X”) whose underlying structure was an entity incorporated in the Seychelles. The suspicious activity relates to a user’s account, John Smith (“John”), where the respective account was held by the cryptocurrency trading platform owned by VASP X.

Through VASP X’s internal transaction screening, it was found that John’s wallet address was receiving a substantial number of Bitcoins in the form of deposits. A significant amount of these deposits was identified to be from an external unknown wallet address directly associated to scam.

John was seen to immediately withdraw the respective deposits with no trace of trade activity on the platform. The withdrawn Bitcoins were further sent to two wallet addresses.

In the attempt to obtain further clarification, VASP X requested John to define the source of funds for the deposits and to justify the identified association to scam wallets. In response, the user informed that the source of fund was derived from trading profits of managed investments. As for the Bitcoins obtained from the scam wallets, John responded that it originates from an individual who remained unidentified.

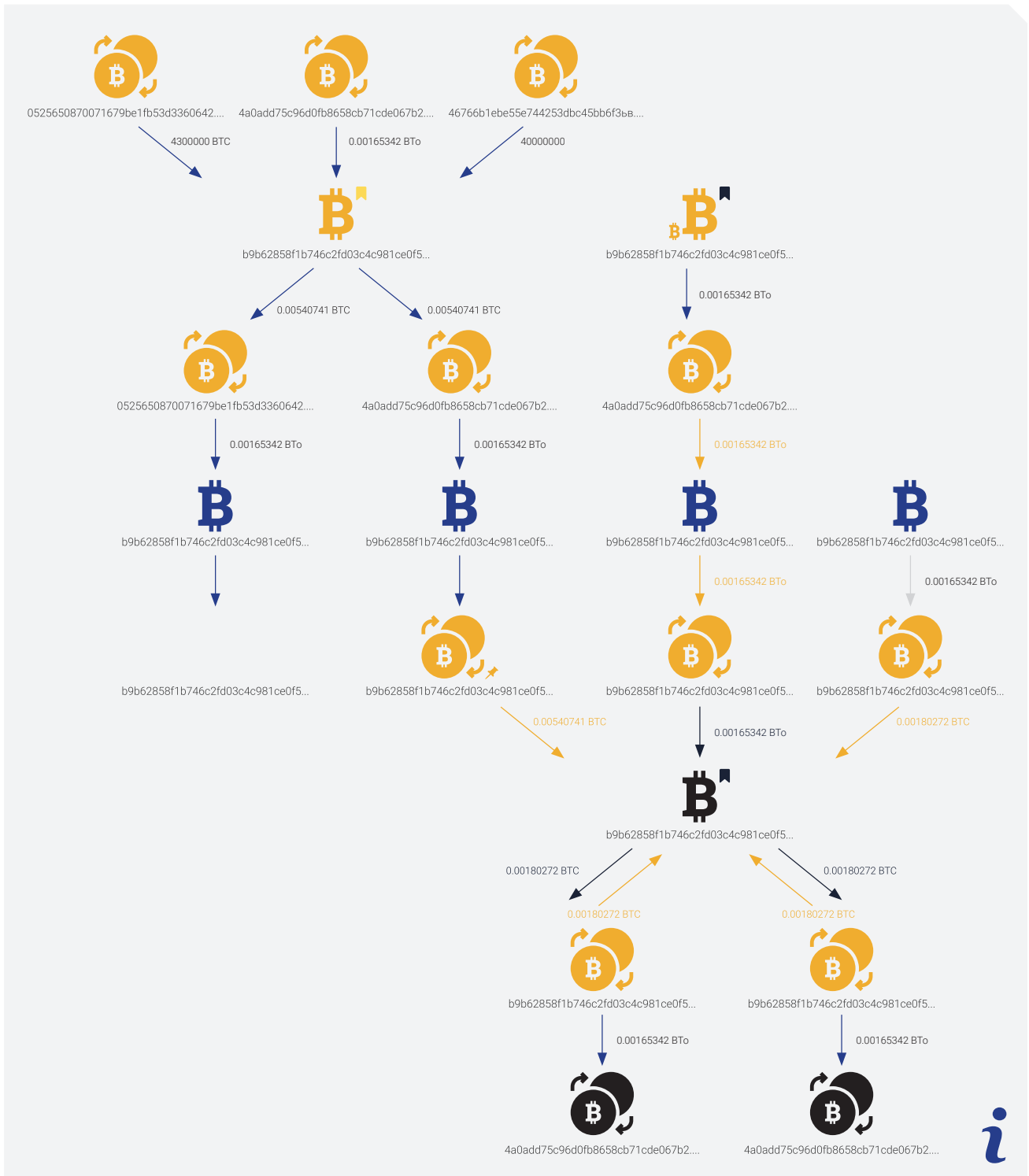
Blockchain analysis conducted by the Seychelles FIU confirmed the path of Bitcoins transferred from the Scam wallet Address to John’s wallet address. In doing so, wallet addresses hosted by other Virtual Asset exchanges were identified to have received Bitcoins from the scam wallet. Figure 2 illustrates the visual overview of the transactions involved.

Open-source research (OSINT) revealed that the wallet addresses involved in the above-stated transactions were reported as fraudulent, through data from public domain platforms.

In consideration of the intelligence gathered by the Seychelles FIU, there was reasonable grounds to believe the suspicion of John’s wallet address being involved in scam-related activities. Immediately, a restriction was imposed to refrain John from completing any outward transactions pertaining to the reported wallet address and simultaneously the case was referred for investigation by the domestic law enforcement.

Red Flags and Indicators





Trends and Patterns: Casestudy 2

Terrorism Financing

A disclosure was received by a Virtual Asset Service Provider X ("VASP X") following a review of its customer. The user of VASP X, Jane Doe ("Jane") was found to be featured in a terrorism financing sanction list. This was solidified through the verification of the Jane's personal identifiers, confirming that the individual was specifically associated to a heavily sanctioned terrorist organization.

In relation to the findings of the internal investigation, it was revealed that Jane's wallet address received three deposits of Bitcoins. Two of the deposits were seen to be derived from two Sender wallet addresses G & H, hosted by the cryptocurrency exchange Y. The ultimate sender and source of funds for G & H wallet addresses were unknown. As for the deposited Bitcoins, they were partly used for trading on the VASP X platform to which Jane incurred a partial loss of the Bitcoins held. Note that this can be recognized as a tactic to legitimize the assets held and transferred from the wallet address.

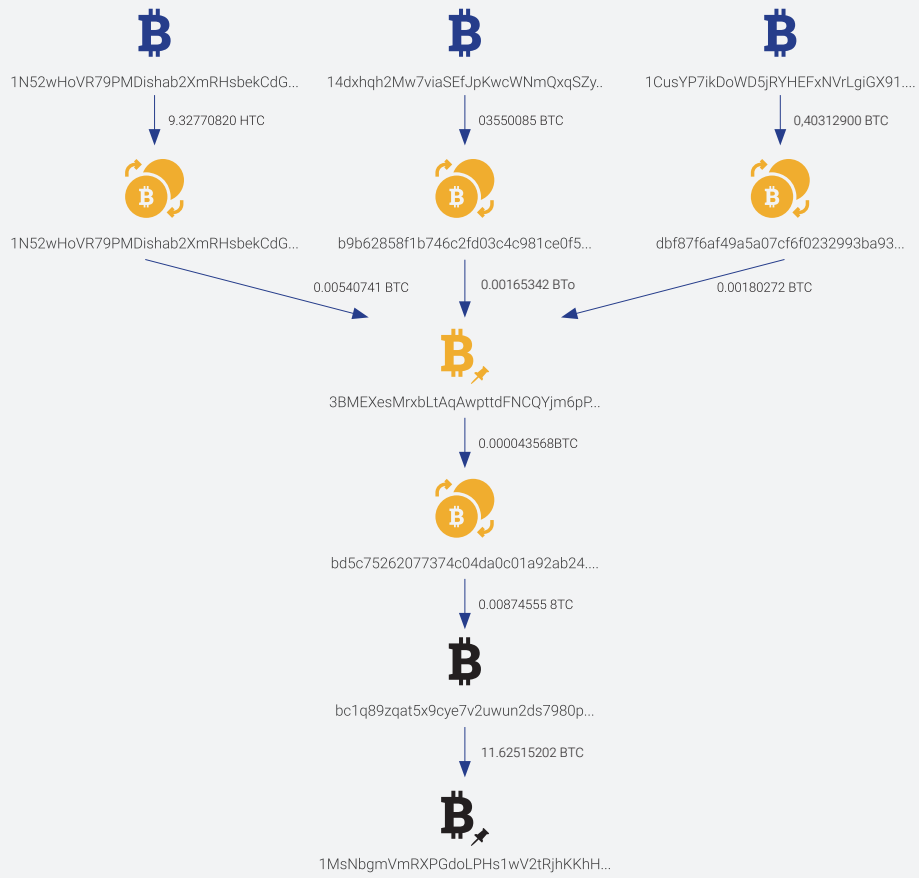
Blockchain analysis conducted by the Seychelles FIU identified the flow of Bitcoins to Jane's wallet address. This involves the two sender wallet addresses, G & H, attributed to the cryptocurrency exchange Y. Through transaction tracing, sender wallet addresses G & H were both found to have sent Bitcoins to a number of recipients including Jane's wallet address, on the same day. Note that this can be recognized as a layering attempt. Figure 1 illustrates a Visual Overview.

Additionally, sender wallet address G was found to have been flagged as fraudulent through Open-Source Intelligence research. As for the third deposit, the transaction originated from an unknown wallet. Transaction tracing revealed that the Bitcoins held by the user was transferred to a private wallet, of which was further transferred to a wallet address held by another cryptocurrency exchange.

Information found through Open-source Intelligence research confirmed that the user did feature on the Terrorism Financing sanction list. The pattern and nature of transactions identified through tracing as well as the adverse media relating to the sender's wallet address G suggests that the transactions involved may have been for the support of terrorist activities. The case was referred to the domestic law enforcement for investigation and intelligence was shared with the relevant foreign counterparts.

Red Flags and Indicators





Information Exchange

Information exchange entails both the receipt and sharing of timely financial intelligence to both the domestic and international partners that are engaged in the fight against money laundering, terrorist, and proliferation financing. Such exchanges assist in identification, freezing and confiscation of assets obtained from proceeds of crime. The FIU received a total of 462 requests for information from international and domestic partners during 2023. 86% of the incoming requests originated from FIU’s international partners and most of these requests were sent by other FIUs via the Egmont Secure Web (ESW). The FIU recorded an increase of 37% in the number of international requests received when compared to 2022. 56% of the total requests received are linked to fraud as a criminal offence. The FIU sent a total of 25 international requests for information of which a majority were to other FIUs.

On the domestic front, the FIU received a total of 67 requests for information from domestic agencies reflecting a decrease compared to 2022. This decline may be attributed to the FIU’s involvement in major task forces groups established in 2022 for joint investigations. Consequently, the need for lead investigating agencies to submit requests to the FIU might have been replaced by the FIU’s proactive role within these working groups. However, in contrast, the number of requests for information sent by the FIU has increased by 5%. In 2023, the FIU, in accordance with its function under section 27 (o) of the AML/CFT Act 2020, as amended, extended assistance to other government agencies by conducting due diligence on individuals and entities. The FIU received a total of 534 requests for due diligence, marking a notable 20% increase from 2022.

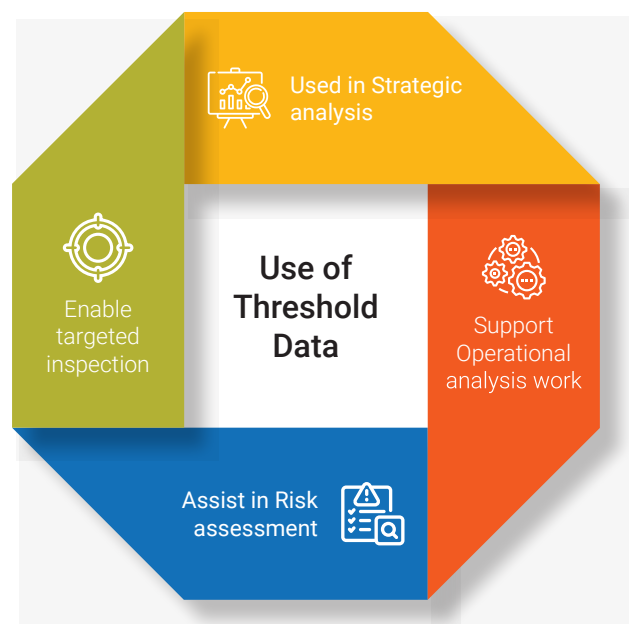
	2021	2022	2023
Domestic request received.	181	200	67
International requests received.	130	288	395
Due Diligence checks and enquiries requests received.	545	446	534
International dissemination received.	42	18	25
Domestic Request sent.	4174	5388	5635
International Request sent	10	42	26

Table 8: Information Exchange 2021, 2022, 2023

Threshold reporting

Amongst the financial transaction reports received by the FIU, under section 5 of the AML/CFT Act 2020, reporting entities are obligated to submit the cash transaction threshold reports and the wire transfer threshold reports according to the threshold prescribed under Schedule 3 of the Act. In 2023, the FIU received a total of 2154 threshold reports from the bank and non-bank financial institutions, Bureau de Change, motor vehicle dealers, precious metal and stones dealers and the gambling sector. However, some reporting entities are submitting what is termed as a nil report, therefore the report is counted as a received report for statistical purposes, but the transaction record is nil.

Threshold reports received are used in various ways to support the work conducted by the FIU and its stakeholder as follows:



Threshold Data Reported for 2023

The FIU will in 2024 be launching the goAML platform for submission of threshold reports. This aims to increase efficiency and facilitate analytical work when using threshold data.



CTTR

Bank and Non-Banks
Financial Institutions

430 Reports | **94,427 Transactions**



WTTR

Bank and Non-Banks
Financial Institutions

361 Reports | **165,377 Transactions**



Bureau de Change

1142 Reports | **226,404 Transactions**



Motor Vehicle Dealers

23 Reports | **16 Transactions**



Precious Metals and Stones Dealers

09 Reports | **14 Transactions**



Gambling

189 Reports | **11,560 Transactions**

Reporting Entity		CTTR		WTTR	
Bank and Non-Bank Financial Institutions		Number of Reports	Number of Transactions	Number of Reports	Number of Transactions
	2021	473	75,580	343	90
	2022	476	79,074	372	127,055
	2023	430	94,427	361	165,377
		Number of Reports		Number of Transactions	
Bureau De Change – Class A	2021	732		130,162	
	2022	841		163,482	
	2023	809		212,657	
Bureau De Change – Class B	2021	240		5,959	
	2022	300		11,727	
	2023	333		13,747	
Motor Vehicle Dealers	2021	9		5	
	2022	12		10	
	2023	23		16	
Precious Metals and Stones	2021	6		19	
	2022	27		54	
	2023	9		24	
Gambling	2021	108		3,274	
	2022	165		7,496	
	2023	189		11,560	

Table 9: CTTR, WTTR 2021, 2022, 2023

Report	CTTR	WTTR
Total value (SCR)	9,034,262,412	351,857,444,167 ³

Table 10: The value for transactions for bank and non-bank institutions in SCR for the year 2023

- CTTR transactions include all deposits and withdrawal cash transactions of SCR50,0000 or more.
- WTTR includes inward and outward domestic and cross-border transactions that meet or exceed SCR50,000 threshold.

Freezing of Accounts

Pursuant to section 27 (1) (d) and (e) the FIU can apply administrative restrictions and freezes on transactions and or accounts if it finds that there are reasonable grounds to believe that a transaction or activity reported involves a criminal conduct, money laundering or terrorism financing.

Insight into account freezing

In its mission to combat financial crimes and maintain the integrity of the financial sector, Seychelles FIU oversees the process of freezing accounts. Operating within AML/CFT Act frameworks, Seychelles FIU is empowered to issue administrative freeze directives orders based on evidence of illicit activities such as money laundering or terrorist financing. Proceeding the issuance of these directives, the FIU conducts preliminary analysis to ensure it meets the reasonable grounds test of Section 27 (1) (e). A freezing direction is not a means to an end itself; the idea is rather to disrupt the criminal conduct, money laundering or the financing of terrorism. It is an exceptional measure which gives the FIU necessary time to carry out its analysis and if necessary, liaise with domestic and international partners. The FIU is empowered to sell additional information or documents from reporting entities during the freeze period. Through strict adherence to legal procedures and proactive collaboration, Seychelles FIU plays a pivotal role in upholding the integrity of the Seychellois financial system.



³ Please note that original threshold values submitted by institutions have not been independently verified by FIU. The accuracy of the data remains the responsibility of the reporting institutions.

Trends and Patterns: Casestudy 3

Money Laundering

The FIU conducted an analysis on an individual named “**Mr. X**” after receiving intelligence alleging that he was laundering funds through his business bank accounts. Upon information and additional intelligence gathering and through the construction of his financial profile, the following key factors were uncovered:

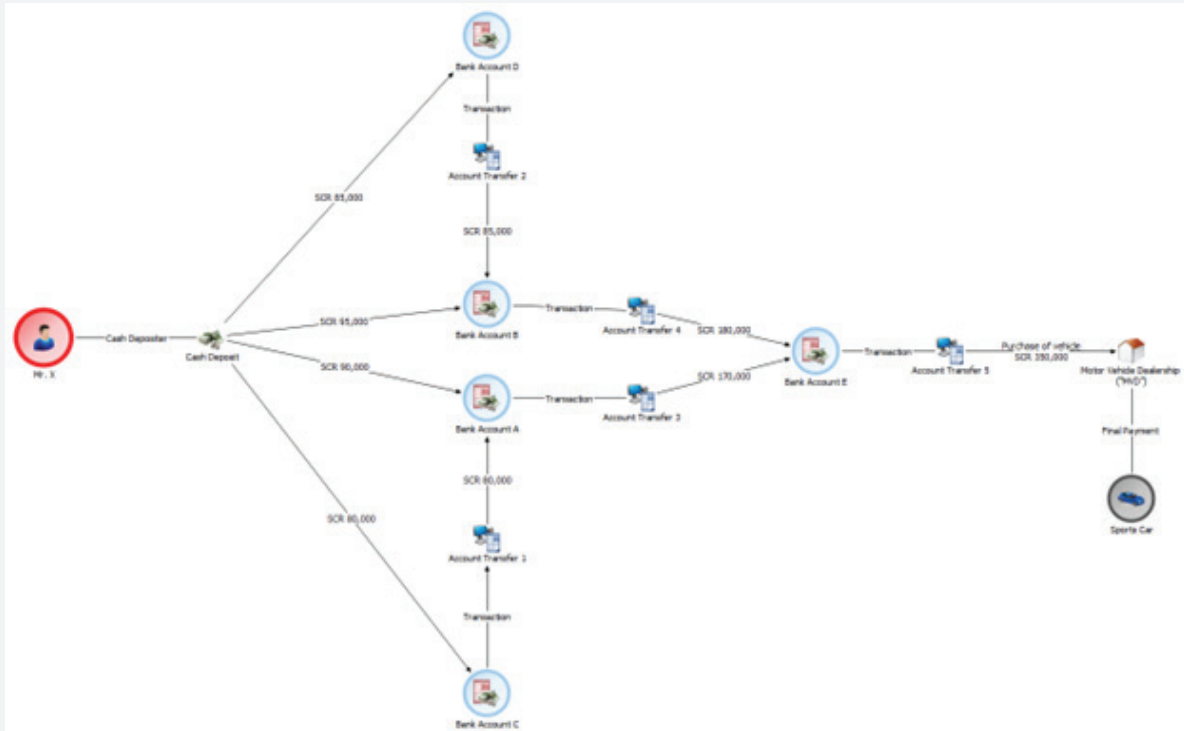
- The subject had suddenly acquired wealth in an unrealistic period of time, seemingly through the success of his numerous businesses and companies.
- Certain businesses and companies were registered but no proof could be acquired of the entities being operational. However, those entities had active bank accounts.
- Open source intelligence and information gathered from local counterparts revealed his close association with known drug dealers/traffickers.
- Mr. X had purchased high valued moveable and immovable assets within a short period of time.
- Searches conducted on his family, friends and romantic partners also revealed numerous assets being held in their names, which built the suspicion that he was using those individuals to conceal assets.

Based on the above preliminary analysis, the FIU was compelled to conduct a more in depth analysis into the bank accounts of Mr. X. This included all his personal and business accounts. It should be noted that most of his businesses were operational and running like a normal business, with unregistered employees.

During analysis of the bank accounts, it became apparent that Mr. X had been misusing the financial system to comingle illicit funds with legitimately earned money. The following transactional red flags were observed:

- Frequent, large, or unusual transactions.
- Some accounts remained in arrears or at a low balance.
- Funds being transferred inter accounts creating a web of transactional activities with no economic sense.
- Accounts mainly being credited with large cash deposits with unjustifiable and unclear narratives.
- Numerous loans being obtained from a bank and indirectly repaid through cash deposits.
- Accounts being used for pass-through activities for e.g. to receive cash deposits and subsequently send funds to beneficiaries.
- Use of multiple accounts for deposits
- Transactions had unusual features and transaction patterns inconsistent with the customer profile; for e.g. revenue for **Business A** was being credited in the bank account of **Business B** for no apparent reason.
- Transactions had repetitive narratives which could not be justified.
- The submission of questionable supporting documents as source of funds.

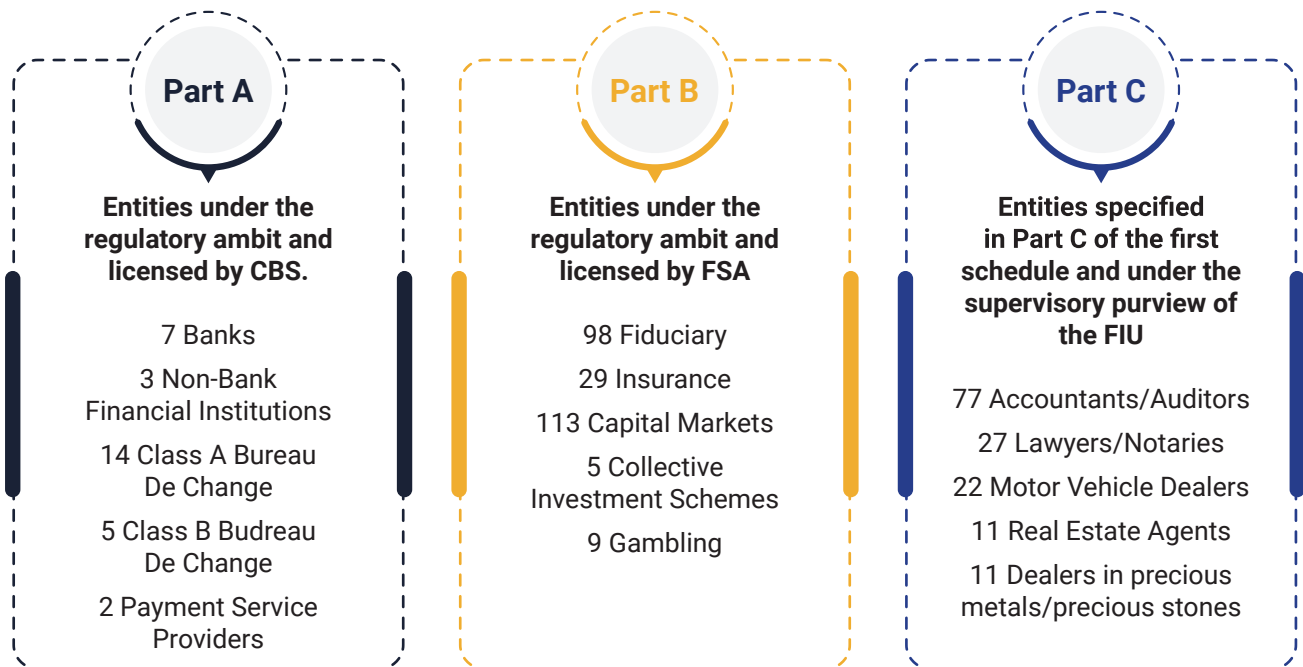
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- Certain businesses and companies were registered but no proof could be acquired of the entities being operational. However, those entities had active bank accounts.
- Open source intelligence and information gathered from local counterparts revealed his close association with known drug dealers/traffickers.
- Mr. X had purchased high valued moveable and immovable assets within a short period of time.
- Searches conducted on his family, friends and romantic partners also revealed numerous assets being held in their names, which built the suspicion that he was using those individuals to conceal assets.

Reporting Entities

Entities or persons specified in the First Schedule to the AML/CFT Act 2020 to report to the FIU.



Compliance

Enforcement

Issue administrative sanctions, directives and directions when regulatory breaches by reporting entities are identified.

Awareness & Guidance

Provide awareness and guidance on AML/CFT/-BO obligations to enhance compliance.



Risk Assessment

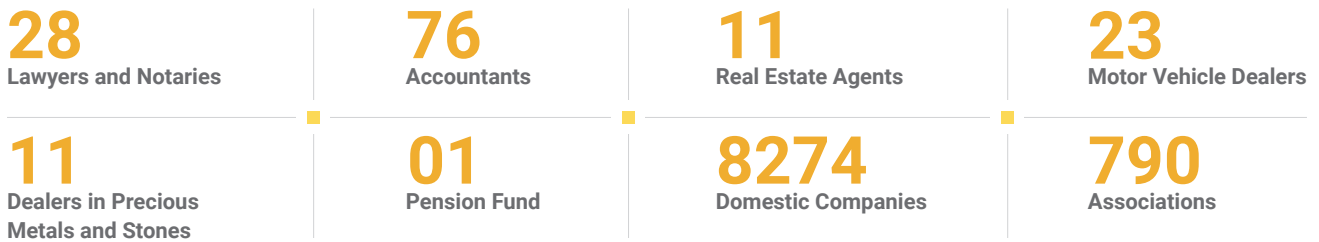
Identify, assess, and monitor ML/TF Risks in the DNFBPs sectors and NPOs.

Supervision

Oversee reporting entities' compliance with the provision of the AML/CFT Act 2020 as amended and the Prevention of Terrorism Act, 2004 (Onsite and offsite examinations).

Monitor compliance with the Beneficial Ownership Act, 2020 for the legal persons under the FIU's purview.

Reporting Entities and Legal Persons under our supervision purview



Risk Assessment

The FIU is continuously risk assessing its reporting entities under the AML/CFT, Legal Persons under the BO Act and NPOs.

AML/CFT

In line with its Risk Based Approach (RBA) framework for supervision, the FIU has implemented mechanisms to assess the money laundering and terrorist financing (ML/TF) risks associated with the reporting entities (Res) under its oversight. This framework is adaptable, allowing for timely and effective response to sudden and significant events such as changes in management or/and in business activities.

The FIU uses different types of supervisory tools to assess compliance of the REs which include, but not limited to, statistical questionnaire, desk-based monitoring mechanism and on-site examination audit tools to assess the adequacy of the REs' systems and processes. The result of these assessments informs the frequency, intensity, and scope of AML/CFT supervision conducted by the FIU. Below is the statistics regarding the dissemination of Risk Assessment Questionnaire (RAQ) to date. It is to be noted that RAQ were not disseminated to Reporting Entities (REs) that have not yet appointed a Compliance Officer (CO), as these are new Res which the FIU is in contact with to submit their application.

SECTOR	TOTAL REPORTING ENTITIES	TOTAL DISSEMINATIONS	TOTAL RESPONDED	TOTAL NOT RESPONDED
ACCOUNTANTS	76	*66	55	11
LEGAL PRACTITIONERS	28	28	19	9
MOTOR VEHICLE DEALERS	23	*19	16	3
DEALERS IN PRECIOUS METALS AND STONES	11	11	9	2
REAL ESTATE AGENTS	12	*9	7	2
SEYCHELLES PENSION FUND	1	1	1	0
TOTAL	150	134	106	28

Table 11: Risk Assessment Questionnaire Disseminated and response status

The FIU has noted a high response rate from reporting entities for the submission of the RAQ. This highlights the level of engagement and collaboration between the Authority and the REs. From the submitted RAQ, the FIU has been able to conduct a thorough analysis to update the risk rating of each RE, in terms of their internal systems and controls they have in place to address matters in relation to their AML/CFT obligations. These updated ratings will significantly contribute to the strategic planning of our risk-based examination program for the upcoming year. Directives will be issued in 2024 to REs that have not completed and submitted their RAQ.

BO

In terms of the BO Act, the FIU supervises the domestic sector which include 8274 companies and 790 Associations. According to the Seychelles National Risk Assessment the higher risk is in the offshore sector. However, in understanding the possible link between the domestic and international financial sectors the FIU is still directing resources to ensure compliance with the BO Act, on the domestic front.

NPOs

Seychelles completed its National Risk Assessment for NPOs in 2022 where it was concluded that the risk of NPOs being exposed to terrorist financing is low. Even in this low-risk environment FIU in collaboration with the Registrar of Associations is engaging on proportionate and effective actions to take to address the threats and vulnerabilities identified.



AML/CFT

On-site Supervision

Based on the risk rating FIU has proceeded to conduct theme-based inspection. This is pursuant to section 57 (1) (b) of the AML/CFT Act, the FIU is empowered to access the premises at which an RE under its supervision carries out its business to conduct an examination. A total of five (5) onsite examinations were conducted in the year 2023 whereby three (3) reporting sectors were targeted namely the Real Estate Agents, Motor Vehicle Dealers and Dealers in precious metals and stones. The scope of the onsite examinations was specific to the below obligations. Obligation to apply customer due diligence; Obligation to submit Cash Transaction Threshold Report and Suspicious Transactions Report to the FIU; and Monitoring of transactions and activities.

The main findings were as follows:

- Lack or inadequate customer due diligence measures.
- Lack or inadequate monitoring of transactions.
- Non or late submission of Cash Threshold Transaction Reports

Sector	No of Examinations Conducted
Dealers in Precious Metals and Stones	1
Motor Vehicle Dealer	2
Real Estate Agent	2
Total	5

Table 12: On site supervision

Off-site Supervision: Revision of the AML/CFT Compliance Policies

In line with section 33 (1) of the AML/CFT Act, a RE is obligated to establish and maintain internal control systems and procedures. A total number of nine (9) compliance manuals were received and reviewed. It is to be noted that a risk-based approach was used to request compliance manuals. Recommendations were communicated to the REs to enhance their compliance manual.

Sector	AML/CFT Manual Reviewed
Real Estate Agents	1
Motor Vehicle Dealers	4
Legal Practitioners	4
Total	9

Table 13: Off-site supervision

Registration of reporting entities with the FIU

In accordance with the requirements of section 31 of the AML/CFT Act and Regulation 7 of the AML/CFT Regulations, 2020 all reporting entities specified under the First Schedule of the AML/CFT Act have an obligation to register with the FIU. As such, for the purpose of fulfilling this obligation, all specified reporting entities are required to register on the goAML platform. Below is the breakdown of percentage registration on the platform as of December 31st, 2023, as per the respective sector. It is to be noted that the FIU sends monthly statistical report to CBS and FSA to promote improvement in the compliance rate.

Supervisors	Total No. of Reporting Entities	Total Number of Registered Entities	% Completed
FIU	150	147	98%
CBS	32	30	94%
FSA	301	253	84%
Total	483	430	89%

Table 14: Status of Registration of reporting entities with the FIU

Appointment of CO and ACO by Reporting Entities

In line with section 34 (1) of the AML/CFT Act, all REs shall appoint a Compliance Officer (“CO”) and an Alternate Compliance Officer (“ACO”) respectively. However, as per regulations 8 (2) of the AML/CFT Regulations, an RE with less than five (5) staff members is exempted from appointing an ACO with the necessary approval of the Supervisory Authority. As of December 31st, 2023, the FIU has approved a total number of 147 COs, 28 ACOs and approved the exemption of 113 applications of exemption to have ACOs with respect to the entities under its supervision.

Reporting Entities	Total Number of RE	Number of Approved CO	Number of Approved ACO	Number of Approved Exemptions for ACO
Accountant and Auditors	76	75	11	61
Lawyers and Notaries	28	27	3	21
Real Estate Agents	11	11	0	11
Motor Vehicle Dealers	23	22	9	13
Dealers in Precious metals and stones	11	11	3	8
Pension Fund	1	1	1	n/a
Total	150	147	27	114

Table 15: Status of CO/ACO Appointment by Reporting Entities

BO

BO Examinations

Pursuant to section 4 (2) of the BO Act, the FIU as the competent authority responsible for the monitoring and assessing compliance with the BO Act in respect of legal persons specified in Part A of the First Schedule of the Act may, during normal office hours and after giving reasonable notice to the legal person, as the case may be;

- (a) access the principal place of business of the resident agent;
- (b) inspect the documents required by this Act to be kept by the legal person.

In 2023, a total of 54 examinations were conducted.

The main findings were as follows:

1. Information that appears on the BO Register does not correspond to the information provided on the Declaration Form and the BO Database
2. Missing information on the BO Register such as Residential & Service Address, TIN, Nationality
3. Not all BOs appear on the BO Register
4. There were no BO Register on file
5. Information Bos which had ceased to be BOs did not appear on the BO register

NPOs

In 2023 the FIU was more engaged in understanding the sector rather than supervision.



Awareness and Guidance

AML/CFT

One of FIU's primary obligation as a supervisory authority, consistent with the standard for guidance and feedback established by the FATF in Recommendation 34, is to provide awareness to its REs on their AML/CFT obligations in such a way as to help them understand the mandatory nature of these obligations and help them to build and enhance their compliance systems. To this end, outreach to its supervised entities remain at the forefront of FIU's AML/CFT efforts. In the year 2023, the FIU continued to provide awareness and guidance to its reporting entities.

Awareness	Sector
Workshop on Money Laundering and Terrorist Financing Risks and Obligations of DNFBPs	Lawyers, Accountant/Auditors, Real Estate Agents, Motor Vehicle Dealers, Dealers in precious metals and stones
Cash Transaction Threshold Report	Lawyers

Table 16: Awareness

Apart from the formal sessions, the FIU engages regularly with its supervised entities by telephone and emails in order to respond and provide appropriate guidance on a broad spectrum of queries relating to their obligations under the AML/CFT Act.

BO

To increase compliance level with the BO Act, the FIU re-strategized and bestowed more focus and resources in going beyond theoretical presentations to assist the legal persons. Two BO clinics were organised, one in the North region over 2 half days and one in the central region over 3 full days. A total of 45 legal persons attended the clinics.

In 2023, FIU focused on authorities working with the NPOs where meetings were held between FIU, Registrar, and the members of the Banker's Association. The banks were able to share their challenges allowing primarily for the office of the Registrar to respond to their needs as necessary for better management of the sector. All parties concerned understood that there is a need to balance measures in place to ensure that this vital sector is well supported.

In addition to the BO clinics, the FIU assisted legal persons at its main office on appointment basis. A total of 12 legal persons were assisted. The FIU also participated in a workshop with the fisheries sector and gave a presentation on the BO framework. The division also worked closely with other key stakeholders to raise awareness through the dissemination of a BO poster which was displayed in key locations, at their premises and using their social media platforms. (refer to below table).

FIU hosts three-day event to assist with Beneficial Ownership registration

15 November 2023

In an interview with the local media yesterday, the Director of the FIU, Richard Rampal, explained that FIU wanted to take the BO exercise closer to the population. "As a country, it is important to have accurate information on beneficial owners. He stated that we are trying to raise maximum awareness with our domestic population."

Source: Extract from the Seychelles Nation (15/11/23).



Enforcement

AML/CFT

As part of its supervisory function, espoused under section 57(1) & (2) of the AML/CFT Act, the FIU has the power to issue administrative sanctions, directives, and directions on reporting entities for any regulatory breaches identified through its supervision and monitoring of reporting entities.

In 2023, the FIU issued 12 directives as outlined below.

Non-Compliance To AML/CFT Preventive Measures		
Sectors	Breach of Section 33 (Compliance Manual)	Breach of Section 34 (Appointment of Compliance Officer)
Real Estate Agents	1	1
Motor Vehicle Dealers	2	-
Legal Practitioners	8	-
Total	11	1

Table 18: Non-Compliance to AML/CFT Preventive Measures

It is to be noted that in view of the results of the National Risk Assessment completed in September 2023, FIU intends on carrying out thematic research on lawyers and accountants to have a deeper understanding of their activities, FIU will also bring in external expertise to assist with the development of a supervisory plan for this group.

BO

As part of its supervisory function, outlined under section 17(B)(1) of the BO Act, the FIU has the power to issue directions to legal persons as it considers appropriate, to ensure compliance with the provisions of this Act.

In 2023, the FIU issued 245 directions to legal persons.

BO Awareness

The Seychelles FIU's strategic use of posters to promote beneficial ownership (BO) awareness represents a proactive step in combatting financial crimes and fostering transparency within the financial sector. With a clear understanding of BO's pivotal role in mitigating money laundering and terrorist financing risks, Seychelles FIU has embarked on a campaign to educate stakeholders on their obligations and responsibilities regarding BO disclosure.

These informative posters, strategically displayed in key locations such as financial institutions, government offices, and public spaces, serve as visual aids to reinforce the importance of accurate BO reporting. Through succinct messaging, they underscore essential BO regulations, emphasizing the identification of beneficial owners and the consequences of non-compliance. By utilizing this visual medium, Seychelles FIU aims to empower stakeholders with the knowledge needed to uphold transparency and accountability in corporate ownership structures, thereby safeguarding against illicit financial activities.

The placement of these posters in areas frequented by stakeholders ensures maximum visibility and engagement, amplifying the reach of Seychelles FIU's awareness campaign. By integrating this approach with other educational initiatives and regulatory enforcement measures, Seychelles FIU underscores its commitment to combating financial crimes and fostering a culture of compliance with BO regulations across the Seychellois financial landscape. Through collective efforts and ongoing education, Seychelles FIU aims to fortify the country's defenses against illicit financial activities, ultimately contributing to a more resilient and transparent financial ecosystem. The location of the posters can be seen in annexure 4 table 17.



The background is a solid dark blue color. It is decorated with several overlapping, rounded diamond shapes in various colors: yellow, orange, white, and light blue. The shapes are scattered across the page, with some appearing as large, prominent elements and others as smaller accents.

Chapter 3

Networking

Local Engagement

The Supervisory Authorities Forum

An important outcome of the Supervisory Authorities sessions, which FIU was part for the year 2023 was the finalization of the Enforcement Policy. The overall objective of the policy is to ensure that all AML/CFT and CPF supervisors have the necessary tools, both legal and operational, to effectively deliver on their mandates, and to develop on enforcement regime, which is proportionate, dissuasive, and effective. The policy is expected to be implemented in 2024.

The National Anti-Money and Countering the Financing of Terrorism Committee

The National Anti-Money and Countering the Financing of Terrorism Committee (NAC) continues to play a pivotal role in the AML/CFT sphere, with the FIU being instrumental in its operation as a member and the secretariat. In 2023 the committee met monthly; taking decisions on the regulation of the Virtual Asset sector and establishing a robust beneficial ownership framework continues to be high on the Committee's agenda. NAC also discussed lengthily the actualization of a Permanent Task Force for major financial crimes, an initiative that is yet to be realized.

The Technical Anti-Money and Countering the Financing of Terrorism Committee

As with the previous year the contribution of the Technical Anti-Money and Countering the Financing of Terrorism Committee (TAC) has been invaluable. Under the Chairmanship of the FIU, the committee has spearheaded several projects with the goal of improving Seychelles' technical compliance with the FATF recommendations including the formation of the VA/VASP working group and the submission of the re-rating report.

TAC was also instrumental in ensuring that the country has legislative measures enabling the country to confiscate property laundered, ML and predicate offences proceeds, TF proceeds and property of corresponding value. A unit was set up in the Ministry of Finance for asset management, and when necessary, disposing of property frozen, seized or confiscated.

TAC also constituted a statistic subgroup with the aim of managing the necessary coordination to ensure that AML/CFT statistics are collected and stored accordingly.

VA/VASP working group.

In August 2023, a VA/VASP working group was constituted. The group included participants from the Financial Services Authority, Financial Intelligence Unit, Central Bank of Seychelles, Department of Information Technology, Anti-Corruption Commission Seychelles, Registrar and Seychelles Licensing Authority. The group was assisted by a consultant to recommend a policy position for Seychelles for VA/VASP and develop a regulatory framework to mitigate the risk identified in the VA/VASP risk assessment conducted in 2022. The working group delivered on their mandate, and in the last NAC meeting presented the policy position and proposed regulatory framework which were endorsed by NAC. The working group was given approval to proceed with public consultation scheduled to take place in January 2024.

Consultation phase for proposed framework for the VA and VASP regulation gets under way

21 December 2023

The National Anti-Money Laundering and Countering the Financing of Terrorism Committee (NAC) has launched the consultation phase for the proposed framework for the regulation of Virtual Assets (VA) and Virtual Asset Service Providers (VASP).

The framework has been developed with a view to encouraging innovation and supporting the growth of the VA industry in a responsible and sustainable manner, while also importantly addressing and safeguarding against the potential financial crime risks associated with the misuse of VA products and VASP services offered in or from the Seychelles.

The NAC has been actively engaged in an action plan to address such risks and the requirements of the Financial Action Task Force (FATF) Recommendation 15 which relates to new technologies. The NAC intends to submit a request for re-rating for Recommendation 15 by March 2024 for consideration by the Eastern and Southern African Anti-Money Laundering and Countering the Financing of Terrorism (ESAAMLG) Task Force in September 2024. The consultation phase being launched today is a key component of this action plan.

A copy of the policy and draft laws can be downloaded from the Financial Services Authority's (FSA) website at the link below:

<https://fsaseychelles.sc/media-corner/white-papers-and-industry-comments/whitepapers>

Source: Seychelles Nation (21/12/23)



Contribution to the National Risk Assessment

Several staff members of the FIU participated in the Seychelles AML/CFT National Risk Assessment (NRA), where a final NRA report was completed in September 2023. The FIU played a key role in providing necessary statistics in terms of the FIU core function where one (1) staff member was designated to manage requests received from the different working groups, whilst others formed part of the working groups being DNFBPs, Banking, Terrorist Financing, Threat, and Environmental Crimes.

Session with the Bankers' Association

The FIU organized a session with all banks in the Seychelles targeting the Chief Executive Officers (CEOs) and Compliance Officers. The FIU put together a half day programme comprising of presentations on the findings of the National Risk Assessment, STRs, Financial Crimes trends and patterns within the region delivered by both local and international experts.

Judicial Manual

The FIU formed part of the working group tasked with developing a Judicial Manual on combating money laundering with the support of the EU AML/CFT Global Facility. The manual seeks to ensure seamless coordination among all stakeholders involved in the fight against financial crimes, resulting in a more robust and effective AML/CFT system.

International Engagement

The Egmont Plenary Meeting

During the 2023 Egmont Plenary Meeting in Abu Dhabi, Seychelles FIU emerged as a proactive leader in the global fight against financial crimes. Demonstrating a commitment to innovation, Seychelles FIU emphasized the importance of leveraging advanced technologies such as data analytics and artificial intelligence to detect and disrupt illicit financial flows. Moreover, Seychelles FIU underscored the significance of international collaboration, advocating for seamless cooperation and information exchange among financial intelligence units worldwide. By adhering to international AML/CTF standards and promoting regulatory compliance, Seychelles FIU played a pivotal role in strengthening the collective efforts of the Egmont Group in combatting financial crimes on a global scale.

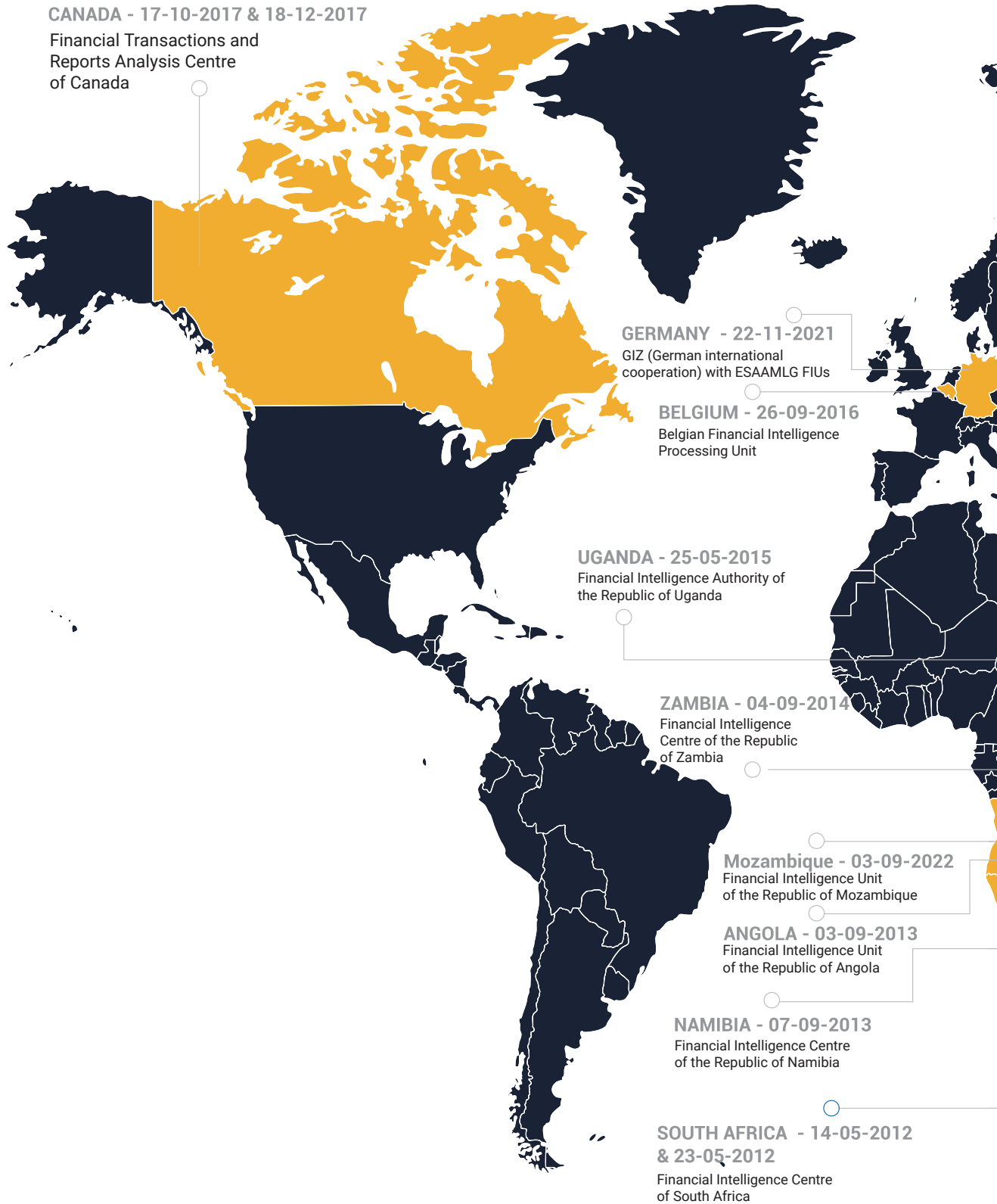
Seychelles Hosted the ESAAMLG Regional Workshop: Turning Intelligence into Evidence

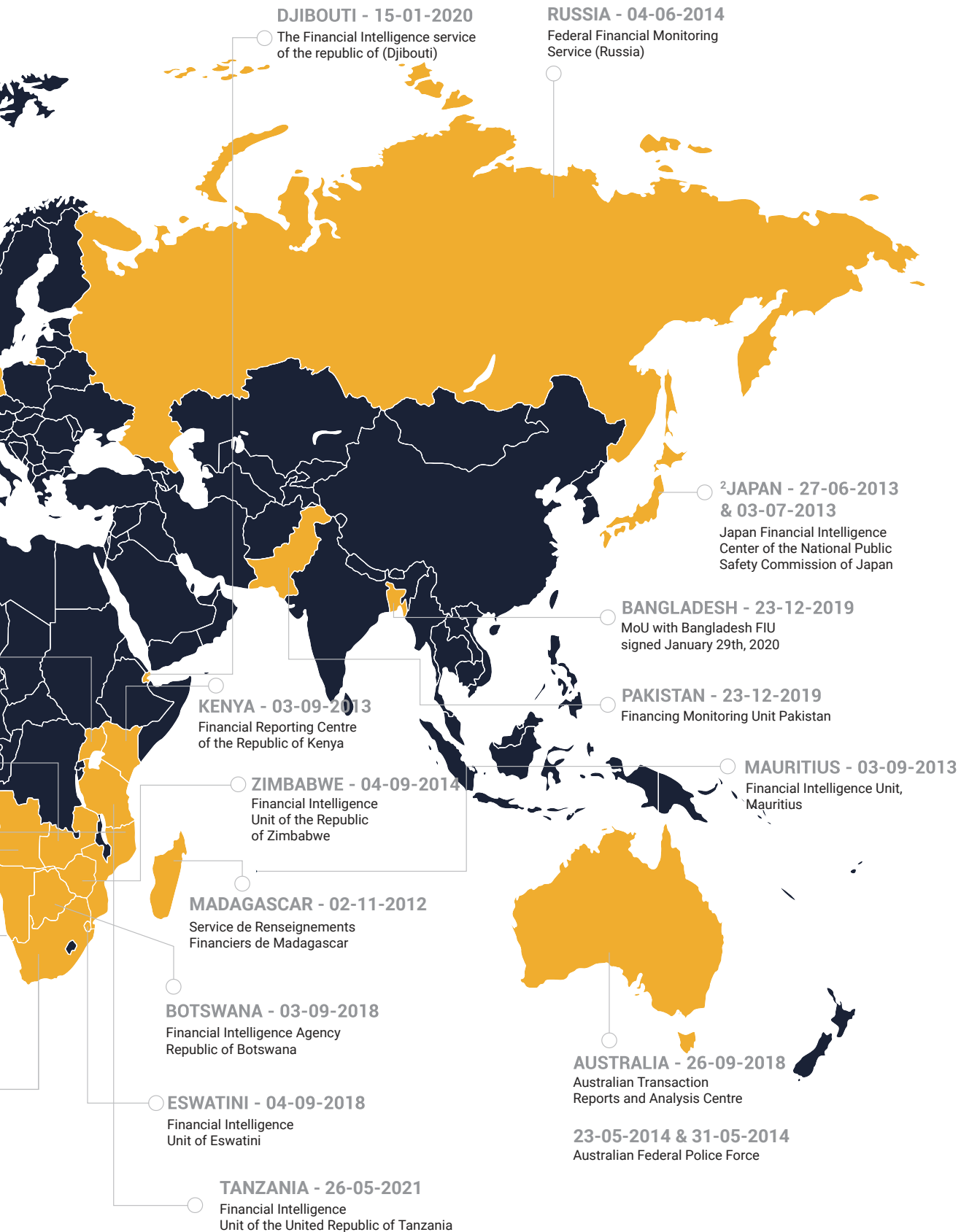
Seychelles FIU demonstrated its ongoing commitment to international engagement by hosting the ESAAMLG Regional Workshop: "Turning Intelligence into Evidence." This workshop provided essential capacity building for FIU staff, covering a broad spectrum of topics crucial to effective financial intelligence management. Sessions focused on areas such as the management of financial intelligence, parallel financial investigations in organized crime, and the role of prosecutors in intelligence management and financial investigations. Moreover, discussions delved into the international legal framework surrounding financial investigations, emphasizing the pivotal role of FIUs in intelligence collection and dissemination. By facilitating knowledge exchange and skill development, Seychelles FIU's initiative exemplified its proactive approach to strengthening regional cooperation and enhancing capabilities in combating financial crimes within the ESAAMLG region.

Participation in the IACCC Meeting and the ESAAMLG Council Senior Officials Meeting

Seychelles FIU actively participated in the IACCC Meeting and the ESAAMLG Council Senior Officials Meeting, further solidifying its role as a proactive contributor to regional and international efforts in combating financial crimes. By engaging in these high-level meetings, Seychelles FIU demonstrated its commitment to fostering collaboration, sharing insights, and aligning strategies with counterparts from across the region and beyond. These participations not only underscore Seychelles FIU's dedication to staying abreast of emerging trends and challenges in the field but also highlight its role as a key stakeholder in shaping policies and initiatives aimed at strengthening the AML/CFT framework within the ESAAMLG region and beyond.

Our MoUs







Chapter 4

Our Challenges And Plans

Challenges

Evolving Financial Crimes

There are new methods of money laundering, such as cryptocurrency transactions pose challenges, the FIU has to remain dynamic and alert.



Supervisory Challenges

More technical professions like lawyers and accountants require a set of technical expertise that is not readily available within the FIU. Collaboration and technical assistance may be required for effective supervision.



International Cooperation

Coordinating with other FIUs worldwide is essential to combat global financial crimes. Managing domestic and international information exchange is a culture that is yet to be fully appreciated by all stakeholders in the penal chain.



Resource Constraints

The FIU remains unable to participate actively in the labor market. Seychelles has a small pool of qualified professionals whilst the FIU requires highly qualified people. When it is able to identify fitting individuals, the organisation is not able to offer an attractive package.

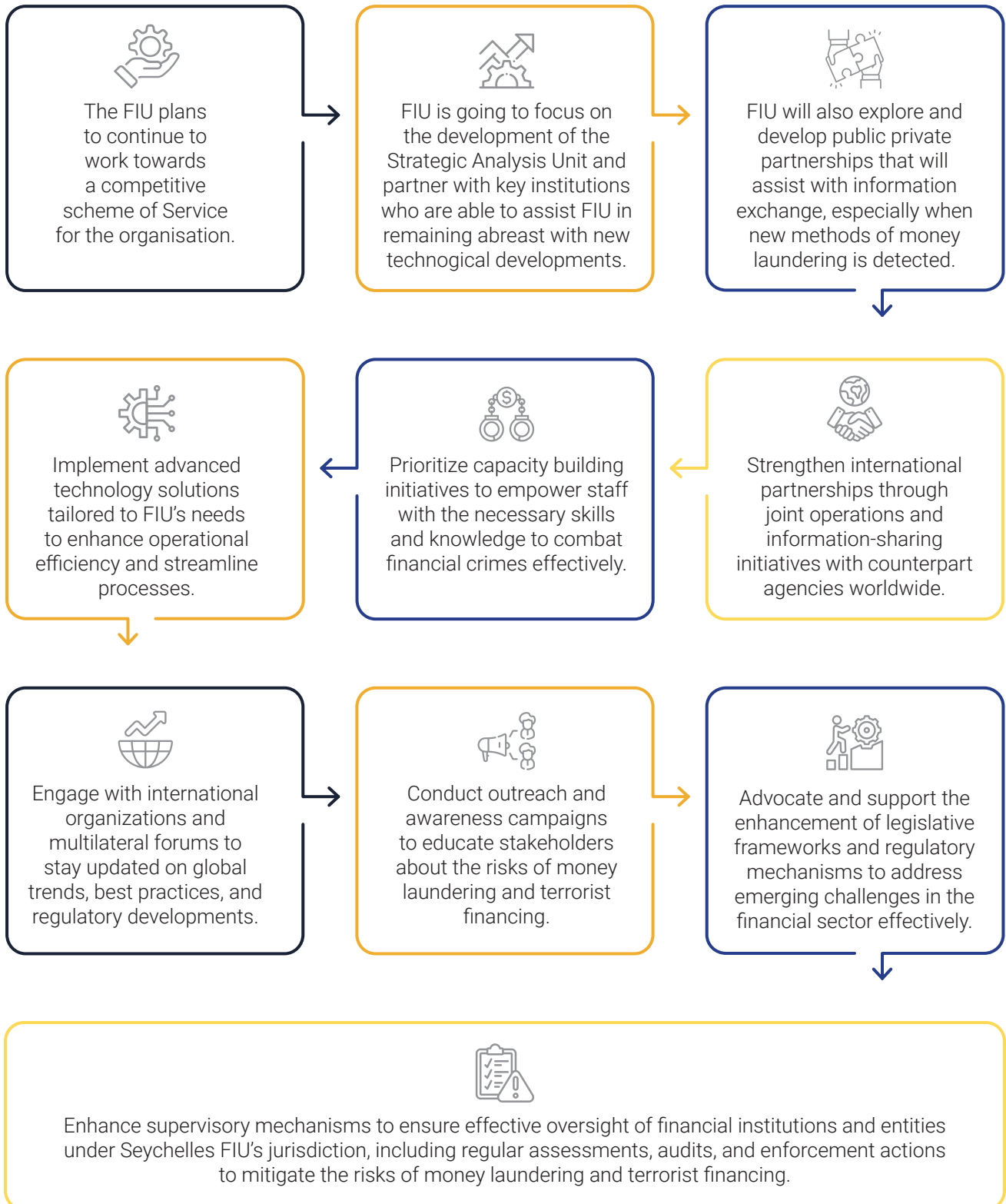


Technology

Over the years FIU has noted the prevalence of key technology being developed. Keeping up with technological advancements is crucial to detect sophisticated financial crimes, which requires heavy investment. Being a budget dependent organisation it is not always possible to remain abreast with the development.



Way forward



List of Annexes

Strategic Pillar/Objectives	Main Activities	Status
<p>Financial Intelligence & Partnerships</p> <p>To develop new and strengthen existing financial intelligence framework to detect and deter economic crimes.</p>	<p>1. Development of Standard Operating Procedures (SOPs) for monitoring and analysis.</p>	<p>All SOPs have been developed and are pending management approval.</p>
	<p>2. Provide quality financial intelligence to law enforcement, foreign FIUs and other relevant authorities.</p>	<p>The disseminations are being conducted, the percentage disseminations resulting in investigation will be provided.</p>
	<p>3. Widen FIU's accessibility to external sources of intelligence.</p>	<p>To date there are two (2) discussions that have taken place with stakeholders to obtain access to new databases. Additionally, letters have been sent out to request direct access to databases that we currently have indirect access to.</p>
	<p>4. Coordinate a feedback mechanism for disseminations made by the FIU.</p>	<p>Progress has been recorded for this activity in terms of letters sent where we have recorded feedback, work is expected to continue in 2024.</p>
	<p>5. Conduct technical training including training on virtual asset.</p>	<p>Two (2) Trainings were delivered. Ongoing.</p>
	<p>6. Analyse and produce quality reports as it relates to new technologies.</p>	<p>2024.</p>
	<p>7. Develop typologies using internal and external data.</p>	<p>Ongoing.</p>
	<p>8. Produce strategic reports of trends and patterns.</p>	<p>Work has started, but a typology report was not completed</p>
	<p>9. Carry out an audit of the FIU core function's data pool in order to streamline the databases held according to the statistics requirements.</p>	<p>The Audit was completed.</p>
	<p>10. Create new public, private, partnerships initiative aiming to work toward tackling financial crimes through increased communication and interaction between critical reporting entities and public sector stakeholders.</p>	<p>Meetings have been held with the Police. Significant progress was not recorded in 2023, efforts will continue in 2024.</p>
	<p>11. Implement an information exchange channel within the FIU.</p>	<p>The project started in 2023 and was implemented within M&A. The plan is to extend same to other divisions.</p>
	<p>12. Maintain a good relationship with domestic and international stakeholders.</p>	<p>This was achieved and is still ongoing, figures will be provided to substantiate the statement.</p>

Strategic Pillar/Objectives	Main Activities	Status
<p>Compliance and Enforcement</p> <p>Promote and enhance compliance with the Seychelles AML/CFT/CPF/BO framework, through awareness, supervision, and enforcement.</p>	1. Development of an Enforcement Policy and SOPs.	The enforcement policy has been developed and circulated for comments from the other supervisory bodies. SOPs are yet to be developed.
	2. Coordinate the implementation of the enforcement Policy.	Ongoing.
	3. Develop and implement a yearly awareness programme for reporting entities, relevant stakeholders including the private sector.	The awareness programme was developed for 2024 but not necessarily followed. The statistics are being recorded.
	4. Develop and implement a yearly guidance and feedback programme for reporting entities, NPOs, Legal persons and relevant stakeholders.	There is a guidance programme. Feedback is provided to reporting entities as necessary.
	5. Develop and implement a yearly supervisory program providing for the application of risk-based supervision of reporting entities under the FIU's purview.	The supervisory programme for 2023 was developed but considering new priorities the programme was adjusted throughout the year.
	6. Follow through with enforcement actions as necessary.	Enforcement actions were taken; statistics will be provided.
	7. Number of Memorandum of Understanding being maintained setting out cooperative relationships, interfaces and joint activities with stakeholders.	A study was conducted on the existing MoU, two (2) MoU is being proposed for the year 2024.
	8. Technical Assistance Programme developed/reviewed each year.	A TA core group has been formed, the TA plan for the year 2024 is yet to be developed.
	9. Number of technical assistance initiatives actually conducted against the number of technical assistance initiatives outlined in the awareness programme each year.	There is a need to assess the number of TA for year 2023 and develop the number of TA for year 2024
	10. Reporting Plan developed/reviewed each year.	The reporting plan for 2024 has not been developed.
	11. Number of reporting obligations met against the number of reporting obligations outlined in the reporting plan each year.	FIU has met all its reporting obligations for 2023, there is a need to provide evidence of same.
<p>Our workforce</p> <p>Enhance our capabilities and governance processes to operate efficiently and effectively.</p>	1. Conduct Training needs analysis.	Training needs analysis has started but not yet completed.
	2. Develop Succession Plan.	Succession Plan has started but not completed.
	3. Develop Business Continuity Plan.	The Business Continuity Plan was developed for Covid-19 (pandemic) there is a need to broaden the plan.
	4. Improve PMDS Framework.	A 2024 deliverable.

Table 1 Strategic Plan Status 2023-2025

Strategic Pillar/Objectives	Main Activities	Status
	5. Develop an employee wellness program.	The Wellness Committee has been constituted; the committee is expected to develop its ToR in January 2024.
	6. Prepare yearly budget in line with zero-based budgeting principle.	Completed for year 2023.
	7. Perform regular internal controls and systems checks.	Was done in 2023, Corporate Affairs to provide evidence.
	8. Develop Standard Operating Procedures (SOPs) and Policies for internal processes.	SOPs and Policies were developed, pending review by the Management.
	9. Provide monthly/quarterly performance reports to stakeholders.	Largely Completed pending is for December 2023, CA to provide evidence.
	10. Conduct staff feedback survey on FIU operations	Conducted 4 in 2023, will continue in 2023.
Innovation and Technology Driven Foster a culture that enables innovative, and technology driven solutions.	1. Implement an enterprise approach for infrastructure applications and data processes.	Ongoing.
	2. Introduce monitoring system to facilitate online reporting and data analytics.	A few have been completed, there will be new ones in 2024, 2025. IT will provide evidence on same.
	3. Upgrade IT infrastructure.	Ongoing.
	4. Digitalize supervisory onsite inspection.	Not yet started.
	5. Digitalize internal processes.	Ongoing.
	6. Introduce monitoring system to facilitate identifying threats, system failures and traffic monitoring.	Ongoing.
	7. Implement a disaster recovery plan to ensure Business continuity.	A 2024project.
	8. Implement external system integration to BO database.	It is anticipated that there will be a new BO database (BORITS). (2025).
	9. Maintain ICT system (goAML) used by external stakeholder operating. (Ongoing).	Ongoing.

MoUs

NUMBER OF COOPERATION ARRANGEMENTS - FOREIGN AND LOCAL																	
#	DESCRIPTION	NUMBER OF MOU															TOTAL
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
1	FOREIGN AUTHORITIES/ ORGANISATIONS	0	0	0	2	5	5	1	1	2	4	1	2	2	2		26
2	LOCAL AUTHORITIES/OR- GANISATIONS	1	0	0	0	0	0	1	0	0	0	0	4	2	1		10
		1	0	0	2	5	5	2	1	2	4	1	6	4	2	1	36

Cooperation arrangement with local authorities

NUMBER OF COOPERATION ARRANGEMENTS WITH LOCAL AUTHORITIES		
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
9	Department of Environment	22-Dec-22

BO Awareness Posters for the different region

Stakeholders	Mode of Advertisement
Seychelles Licensing Authority	Posters in the branches & Instagram Page
Immigration	Posters on the immigration ground floor office
Office of the Registrar	Poster on the ground floor office
Seychelles Revenue Commission	Posters in the branches and on their Facebook page
Development Bank of Seychelles	Posters in the Victoria branch
ABSA Bank (Seychelles) Ltd	Posters in the branches
Mauritius Commercial Bank	Posters in the Mahe, Praslin & La Digue branch
Seychelles Commercial Bank	Posters in the Victoria branches
Seychelles Credit Union	Posters in Mahe & Praslin Branch
MUA Seychelles	Poster in the Victoria branch
Bank of Ceylon	Posters in Victoria branch
SACOS	Posters in the branches
Alliance Insurance	Posters in the Victoria branch
H Savy Insurance	Posters in the Victoria branches
Seychelles Pension Fund	Posters in the Victoria branch

Seminars and Workshops

NUMBER OF COOPERATION ARRANGEMENTS WITH ORGANISATION IN OTHER COUNTRIES			
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	Financial Intelligence Unit, Mauritius	Mauritius	9-Mar-13
6	Financial Intelligence Unit of the Republic of the Republic Angola	Angola	9-Mar-13
7	Japan Financial Intelligence Centre 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	Financial Intelligence Unit of the Republic of Zimbabwe	Zimbabwe	9-Apr-14
11	Financial Intelligence Centre of the Republic of Zambia	Zambia	9-Apr-14
12	Republic of Panama	Panama	14-Nov-14
13	Financial Intelligence Authority of the Republic of Uganda	Uganda	25-May-15
14	Belgian Financial Intelligence Processing Unit CTIF	Belgium	26-Sep-16
15	Commercial Affairs Department of the Singapore Police force	Singapore	20-Jul-17
16	Financial Transactions and Reports Analysis Centre of Canada	Canada	17-Oct-17 & 18-Dec-17
17	Financial Intelligence Unit of the Kingdom of Swaziland	Swaziland	4-Sep-18
18	Australian Transaction Reports and Analysis Centre	Australia	26-Sep-18
19	Financial Intelligence Unit of Eswatini	Eswatini	9-Apr-18
20	Financial Intelligence Agency Republic of Botswana	Botswana	9-Mar-18
21	Financial Monitoring Unit of Pakistan	Pakistan	23-Dec-19
22	Financial Intelligence Service of Republic of Djibouti	Djibouti	15-Jan-20
23	Bangladesh Financial Intelligence Unit	Bangladesh	29-Jan-20
24	Financial Intelligence Unit of the United Republic of Tanzania	Tanzania	23-Apr-2021 & 29-Apr-2021
25	GIZ (German international cooperation) with ESAAMLG FIUs	Germany	22-Nov-21
26	The International Anti-Corruption Centre Associate Membership Scheme	UNODC	22- Feb- 2022
27	The Financial Intelligence Unit of the Republic of Mozambique	Mozambique	27 – April – 2022

Virtual International Seminars, Workshops and Trainings

Seminar/Workshops	Participants	Details
Webinar on trade-based money laundering and illicit financial flows	1	AML/CFT ESCAY project

International Initiative

Seminar/Workshops	Participants	Details
Launch of new EU-funded AML-CFT project to counter illicit financial flows generated by transnational organised crime and terrorist groups	1	European Union (EU)
OACPS Fiscal Governance and anti-Money Laundering / combatting financing of terrorism AML/CFT	1	Organization of African, Caribbean and Pacific States (OACPS)
Financial Intelligence Analysis	5	European Union (EU)
VALIDATION WORKSHOPS-Assess and Build the Capacities of Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation Financing Structures in Member States and Assessment of the level of risk to the implementation of the Financial Action Task Force (FATF) Recommendations to ensure effective and proportionate measures against money laundering, terrorist financing and proliferation financing in the SADC region are commensurate with ML/TF risks	1	SADC & European Union
IACCC annual workshop	1	Federal Bureau of Investigation (FBI), alongside Interpol and the UK National Crime Agency
Regional NPO Consultations on the revision of the FATF Rec 8 Best Practices Paper	1	EU Global Facility
Enhancing Beneficial Ownership Framework	1	FIC, EU Global Facility, ESSAAMLG
Financial Intelligence Compendium	1	ECOFEL & World Customs Organization
Regional Financial Investigations Workshop	2	UNODC
OACPS Fiscal Governance and anti-Money Laundering /combatting financing of terrorism AML/CFT	2	Global Facility and GIZ
Global Asset Recovery Conference (Taiwan)	1	ECOFEL and the AMLD Taiwan
10th Conference of State Parties to the United Convention against Corruption	1	World Bank
Review of judicial manual meeting	2	EU AML/CFT Global Facility

Domestic Workshops and Training

Seminar/Workshops	Participants	Details
Strategic analysis tools and techniques	5	Stella Attakhpah
Strategic analysis-transitioning from tactical to strategic intelligence	5	Stella Attakhpah
Turning Intelligence into Evidence	13	EU Global Facility
I2 analyst notebook (Seychelles)	3	UNODC
Transitioning: Supervisory Skills for Aspiring Supervisors	1	Guy Morel Institute
Workshop on Enhancing Interagency Cooperation between FIUs and investigative authorities (Seychelles)	3	
AML/CFT and Beneficial Ownership Risk-Based supervision of the TCSP Sector	4	Financial Services Authority
Managing People	7	Guy Morel Institute

Professional Qualifications

Training	Participants	Details
ICA International Diploma in Anti Money Laundering	1	International Compliance Association (ICA) - UK
ICA Certificate in Anti Money Laundering	1	International Compliance Association (ICA) - UK



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