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# Message from the head of the UKFIU

## Ian Mynot

Welcome to issue 6 of the UKFIU magazine in which we take a look at the international aspect of our work. This includes international casework delivered in the UK by the UKFIU and its law enforcement partners, and our engagement with overseas FIUs.

We go into depth around the international work of various UKFIU teams - including our Terrorist Finance Team and SARs Enquiry and Action Team - but also examine the close links we have with the NCA's International Liaison Officer network and organisations such as the International Anti-Corruption Coordination Centre.

As mentioned in issue 4 of the magazine, the UKFIU is embarking on a new digital presence in terms of engagement and communication with our stakeholders, particularly as there is a recognised need for the UKFIU to adapt and promote its online presence.

We are currently working on creating our own educational podcasts and webinars for SARs regime participants, offering good quality SAR guidance, UKFIU updates and discussion on topics relevant to the regime. We aim to launch the first of our webinars and podcasts this summer, with the podcasts being the first produced by the NCA. As this is something that we've never done before, it has been an interesting learning curve, but we are really encouraged by how it's all coming together and looking forward to unveiling these to you. To keep up to date with the latest details and announcements please follow us on Twitter (NCA\_UKFIU).

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### Who is this magazine aimed at?

- All law enforcement; this includes senior investigating officers, front-line police officers and police staff
- Reporters
- Regulators
- Supervisors
- Trade bodies
- Government partners
- International partners

We'd love to hear what you think of the publication, what topics you'd like us to consider and we're always open for possible articles/collaborations.

Previous issues of this magazine are available on the NCA website.

Please send any feedback to **[ukfiufeedback@nca.gov.uk](mailto:ukfiufeedback@nca.gov.uk)**

Updates can also be found on Twitter at **NCA\_UKFIU**.

Opinions expressed in articles provided by partners are not necessarily the view of the UKFIU/NCA. The UKFIU exercises the right to edit submitted articles.

# Case studies and engagement news

## Romance fraud investigation

The UKFIU supported an investigation overseas into a romance fraud in which a victim transferred funds of over £60,000 to an overseas account. Due to information provided by the UKFIU, multiple victims had also been identified. The UKFIU proposed to the International Liaison Officer (ILO) and the overseas law enforcement agency (LEA) several courses of action to return funds varying from bank to bank recalls of the funds and obtaining court orders to seize funds.

## Speedy response to ARO request

The UKFIU dealt with a request from an overseas Asset Recovery Office (ARO) regarding unknown subjects committing fraud within the overseas country and other European companies using accounts held in multiple countries. The UKFIU conducted intelligence checks to support the investigation and a comprehensive intelligence package was created and provided to the ARO. In response the ARO praised the UKFIU's assistance with the investigation for its speed and the value of the information provided.

## Child sexual exploitation

The UKFIU identified multiple SARs which linked to over 150 subjects within the UK and overseas indicating purchases from a suspected child sexual exploitation website. The UKFIU submitted reports to 26 jurisdictions and engaged with ILOs to facilitate dissemination for the local authorities to take the appropriate action. As a result of this one of the associates of the main subject was arrested by an LEA and interviewed for the offence of downloading indecent videos of children and their computer equipment was seized. Enquiries are ongoing.

## £15m restraint obtained

A Defence Against Money Laundering (DAML) request was received by the UKFIU for a subject believed to be involved in an international bribery scheme. The UKFIU refusing the DAML request enabled an international restraint order on behalf of overseas authorities to be obtained and the restraint of funds within UK banks. The co-ordinated approach between the UKFIU, UK LEAs and a number of international authorities resulted in the restraint of over £15m. Enquiries are ongoing.

## Isle of Man FIU analyst visit

The UKFIU welcomed a senior intelligence analyst from the Isle of Man (IOM) FIU. The analyst spent time understanding the work of the UKFIU and looking at the challenges of intelligence analysis with various UKFIU teams. The IOM FIU reported back very positively on the visit and are very keen to continue to discuss and improve collaborative working. The UKFIU welcomes and encourages further collaborations and discussions on opportunities for sharing financial intelligence with other FIUs.

# An Australian perspective

## Article supplied by the Australian Transaction Reports and Analysis Centre (AUSTRAC)

AUSTRAC is Australia's FIU and anti-money laundering and counter-terrorism financing (AML/CTF) regulator. The agency is responsible for detecting, deterring and disrupting criminal abuse of the financial system to protect the community from serious and organised crime.

The agency plays a key role in protecting Australia from threats to its national security, including terrorism and other serious crimes such as child sexual exploitation, human and drug trafficking, fraud and corruption. AUSTRAC regulates more than 15,000 Australian businesses to protect them, and the financial sector, from criminal abuse. Through strong regulation and enhanced intelligence capabilities AUSTRAC collects and analyses financial reports and information to generate financial intelligence, enabling analysts to identify risks and develop intelligence products that directly contribute to law enforcement and national security operations and investigations.

To combat money laundering (ML) and terrorism financing (TF) across borders, AUSTRAC shares financial information and intelligence with other FIUs and regulators around the world, including the UKFIU. Further to this intelligence sharing, AUSTRAC makes a significant contribution to international efforts by:

- delivering regional solutions to CT and ML issues/risks through the Financial Intelligence Consultative Group (the network of Association of Southeast Asian Nations, Australian and New Zealand FIUs) and the Counter Terrorism Financing Summit (bringing together public and private sector practitioners to combat TF and significant financial threats).
- contributing to international AML/CTF organisations, including the Financial Action Task Force, the Egmont Group of FIUs and the Asia/Pacific Group on ML.

### Anti-Corruption Coordination Centre

Since September 2019 AUSTRAC has been working closely with the Australian Federal Police (AFP) as part of the International Anti-Corruption Coordination Centre (IACCC). The IACCC brings together specialist law enforcement officers from international agencies to coordinate the global law enforcement response to allegations of grand corruption, inclusive of bribery of public officials, embezzlement and abuse of function or the laundering of the proceeds of crime offences.

Via its AFP partnership, AUSTRAC has provided financial intelligence to the IACCC through direct engagement with UK and other London-based international counterparts.

AUSTRAC will continue to work with its international counterparts, and particularly NCA colleagues, across a range of criminal justice and national security areas.



## Expanding the global reach

Internationally AUSTRAC works with intelligence partners to share insights, trends and data to disrupt transnational organised crime and terrorism threats and currently has almost 100 agreements in place with overseas counterparts to exchange financial intelligence and regulatory information. These agreements are vital to AUSTRAC's ability to understand the broader environment and effectively combat ML, TF and other financial crimes.

In the past two years the agency has expanded its international presence by deploying staff to key locations overseas. This has included the posting of an AUSTRAC officer to the UK to work with the UKFIU to cultivate and strengthen this vital relationship, increase information sharing and to progress joint financial intelligence, national security and law enforcement initiatives.

AUSTRAC regularly brings together international analysts and financial intelligence specialists to build relationships between countries and share technical assistance and training initiatives. AUSTRAC was very pleased to host a UKFIU analyst at its Financial Intelligence Analyst Course in February 2020.

Recently AUSTRAC has contributed to Europol's private/public COVID-19 working group as part of a coordinated global effort to combat emerging threats linked to the pandemic. The working group has representations from a variety of sectors from 14 countries..

## Analyst exchange

The Trilateral Partnership Program, formed in August 2019, is a multi-lateral ongoing project involving analysts from AUSTRAC, the Philippines' Anti Money Laundering Council and the NCA. Its main objective is to enhance capabilities and increase financial intelligence sharing among jurisdictions to better combat child sexual exploitation, particularly 'pay per view' offending.

### Private/public collaboration

The Fintel Alliance, AUSTRAC's public-private partnership, brings together experts from government and private sector organisations involved in the fight against ML, TF and other serious crime. The work ranges from identifying criminal networks, increasing the resilience of the financial sector and contributing to investigations into serious crime and national security.

As part of this work, in January 2020 the Alliance established its first trade based money laundering (TBML) working group. This includes front line experts from industry and law enforcement to develop indicators and typologies that can be broadened to other jurisdictions and trade types. As part of this initiative AUSTRAC is working closely with the NCA's Joint Money Laundering Intelligence Taskforce to facilitate collaboration and develop best practice methodologies to combat TBML on a global scale.

# The Isle of Man FIU



**David Baker**  
**IT Lead and Intelligence Officer**

As I write this, I would usually be surrounded by the noise and buzz of the Isle of Man TT, one of the greatest events of the motorsport calendar. Instead, the roads are relatively quiet and the pubs are closed. The Isle of Man (IOM) has just hit its twentieth day with no new COVID-19 cases.

The borders may remain closed to people but our funds flow analysis still shows hundreds of millions of pounds flowing in and out of the IOM's financial system to many different jurisdictions. It is the FIU's purpose to protect the integrity of this financial system and contribute to the administration of justice through our expertise in detecting financial crime, countering money laundering and the financing of terrorism.

The FIU was established in 2016 following the Isle of Man's *National Risk Assessment of Money Laundering and the Financing of Terrorism 2015* and is operationally independent from the rest of the IOM government. It is staffed by sixteen people whose experiences are wide ranging and include:

- university graduates in law, accounting and others
- former financial crime accredited detectives and senior officers
- seconded IOM Customs & Excise staff
- industry experience including trust and corporate service providers and banking.

The main source of intelligence for the FIU is the SARs regime. Not dissimilar to the UK's own regime, the FIU deals with requests for defence against money laundering (still known as 'consents') as well as being the central reporting agency for sanctions and reports under the Financial Intelligence Unit Act 2016.

The FIU Act is the legislation that not only established the FIU but also gives us our powers. The key sections for us are detailed below.

- Section 24 states that any person can provide information to the FIU where it might be useful for one of our functions. This is particularly beneficial as a gateway for receiving information where a piece of intelligence has no suspicion of money laundering or terrorist financing attached to it, but nonetheless would assist the FIU in exercising its functions. A disclosure in these circumstances would not breach a duty of confidentiality.
- Section 18 gives the FIU the power to gather additional information. This power is vested in the FIU and does not require a court order or external authority to execute.

To manage all the inbound and outbound data from the FIU, the IOM FIU has a sophisticated IT system called 'Themis' provided by Professional Data Management Services (PDMS), an IOM based developer. This software, in use by a number of other small jurisdictions, enables a secure portal for regulated entities to communicate with the FIU. It also makes available a large amount of instant metrics to inform operational and strategic decisions. This software is being actively developed to include automated sanctions checks and communications, and further workflow processes and improvements for both intelligence officers and external users.

The FIU are active members of the Egmont Group and contribute to various areas including the Information Exchange Working Group (IEWG) and Technical Assistance and Training Working Group (TATWG). This membership enables the FIU to share information expeditiously and securely with other jurisdictions.

The FIU is the Competent Authority to receive all ultimate beneficial ownership checks from the UK and other international counterparts. Under the 'Exchange of Notes' agreement the IOM is committed to providing information to the UK in under 24 hours or under one hour for urgent matters. This agreement is an essential tool to UK law enforcement and provides easy access to the IOM Beneficial Ownership Database for those who lawfully require it.

The second largest source of information submitted to the FIU is the product of International Letters of Request (a method of cooperation between states for obtaining assistance in the investigation or prosecution of criminal offences) where the FIU reviews all information produced to the courts. The primary purpose of this is to look for domestic offending but it can also be a source of other intelligence and a way for the FIU to make links between points of interest from different jurisdictions.

The IOM FIU is proud of our face-to-face outreach to industry and it is unfortunate that the recent COVID-19 regulations have impeded this. We are currently looking at digital methods to deliver news and guidance in various formats. We specifically look forward to collaborations with the UKFIU and sector experts in the near future.

# Global anti-corruption coordination

## Article supplied by the International Anti-Corruption Coordination Centre (IACCC)

The IACCC is a multi-agency centre bringing together specialist law enforcement officers responding to allegations of grand corruption. This criminality concerns officials and politicians at the highest levels of government abusing their power, often with devastating financial consequences for the societies they defraud.

The IACCC integrates core international agencies with a specific mandate to tackle these cases of grand corruption, incidents which typically see transactions passing through the world's key financial centres. The agencies involved include the NCA, the FBI, Homeland Security Investigations, Australian Federal Police, New Zealand Police and Serious Fraud Office, Royal Canadian Mounted Police, the Corrupt Practices Investigation Bureau of the Republic of Singapore and Interpol.

These members work closely with the regulated sector. It is no exaggeration to say that it is this sector that is on the frontline of grand corruption; moving tens of millions of dollars in cash is impractical, meaning complex corporate structures and offshore banking are typically the methods of choice for laundering funds.

Perhaps one of the most well publicised grand corruption cases in recent years has been that involving 1MDB, the Malaysian sovereign wealth fund which has seen the alleged theft of billions of dollars from this fund, which in turn allegedly financed the purchase of properties around the world and high value items. Each of these purchases constitutes an opportunity to report and the message to anyone in these industries is to be fully aware of the tangible impact you can have in tackling serious and organised crime by reporting suspicions.

SARs are one of the key reporting tools that enables IACCC officers to tackle this crime. A SAR may come in that is the very first indication of corrupt activity, leading to a potentially long and complex investigation; or it may be the final piece of the puzzle that indicates where criminal proceeds are being stored, allowing a seizure and forfeiture of assets. A single report really can be the difference between hundreds of millions of dollars being recovered or the unravelling of entire government administrations.

Reporters outside of financial institutions have a central role to play in tackling grand corruption. No matter how many offshore companies or hidden bank accounts an individual may have, the corruption is ultimately carried out to finance a lavish lifestyle, meaning property, expensive cars, jewellery, works of art and other high value goods. SAR reporting around these purchases is one of the most effective ways to identify and ultimately return stolen assets to the victims of grand corruption who are, after all, the public.

It is common for several jurisdictions to be involved in IACCC investigations, emphasising the need for those tackling corruption to consider themselves part of a wider international community. This highlights the need for agencies, governments and corporations to take steps to ensure cross-border information sharing and action



and corporations to take steps to ensure cross-border information sharing and action is done as quickly and seamlessly as possible.

This is one of the main roles of the IACCC. SARs are quite rightly treated with a high degree of confidentiality (one of the reasons is to protect all the entities involved in each specific SAR), but this can at times slow the process of sharing information internationally. The IACCC provides a forum where information is securely shared across multiple agencies at once, with appropriate risk assessment and in line with all relevant policies, reducing the length of time it takes for action to be taken.

Since its inception in 2017 the IACCC has coordinated on 68 allegations of grand corruption. The centre is now looking to expand on this work to include additional associate members, enabling the facilitation of information sharing from a larger number of jurisdictions.

No let-up is expected in this work. As the global economy faces economic strife, further criminal activity is likely to be seen. Research has shown that during economic turmoil an increase in the illicit movement of funds is often witnessed. As governments seek to mitigate the impact of the COVID-19 downturn with bailouts and state initiatives, corrupt officials and their enablers may take advantage. The business of corruption, it appears, is recession proof. It is incumbent upon us all to meet that challenge.



# An international liaison officer's view

**Jimmy Brown**

**International Liaison Officer (ILO) Switzerland and Liechtenstein**

The NCA has an international network of liaison officers based around the world. I began my role as the officer responsible for Switzerland and Liechtenstein in 2019 and have been surprised with the volume of work across a range of threats impacting the UK, the majority of which consists of child sexual abuse enquiries, cyber ransomware attacks against UK companies, the purchase and sale of drugs and firearms on the dark web and across Eastern Europe, and organised crime groups (OCGs) involved in drug trafficking and money laundering across Europe. To tackle the wide range of issues regarding illicit finance, I work closely with the UKFIU and also various partners from the National Economic Crime Centre, HM Revenue and Customs and the Serious Organised Crime Network with a remit to tackle strategic and policy issues impacting illicit finance in global financial centres.

As a global financial centre Switzerland faces similar threats and challenges to the UK. These include the laundering of criminal proceeds through banking sectors, emerging crypto markets and managing the risks of being trading hubs for commodities and precious metals. OCGs launder bulk cash from the UK into Switzerland, often to be transferred into high value goods.

Switzerland has a continental European civil law system and is divided into 26 Cantons (Swiss counties), each having autonomy to deal with law enforcement and investigations. Each Canton has its own prosecutors responsible for leading and directing investigations. Swiss prosecutors tend to use formal Mutual Legal Assistance (MLA) channels to request assistance from foreign partners. We have been encouraging more direct bi-lateral engagement to assist with enquiries. For example, I can quickly check with the UKFIU if there is any pertinent intelligence that they hold and if they can arrange for any relevant details to be disseminated for Swiss prosecutors to use in a more focussed MLA request; this is then more likely to be executed in a more timely manner. Of course, having the ability to make enquiries using police to police channels in country also assists UK law enforcement without having to go through formal MLA channels.

The Swiss federal authorities' 2020–2023 strategy to fight serious and organised crime states that responses must be global, multidimensional and based on cooperation and information exchange. To achieve this, Swiss law enforcement is prioritising developing and sharing intelligence, increasing public private partnerships collaboration and the tracking of criminal money flows. This assists the UK as we are experienced at sharing and developing intelligence and we have an established Public Private Partnership model with the Joint Money Laundering Intelligence Taskforce so we are able to facilitate support where required.

The UKFIU regularly exchanges intelligence using Egmont channels with the Swiss FIU, called the Money Laundering Report Office (MROS). I also engage on a bi-lateral basis with MROS and other Cantonal and federal law enforcement partners meaning I can ensure that the right information gets directly to the right customer in a much more timely manner.

I liaise closely with the UKFIU to identify any pertinent financial intelligence which directly impacts on Switzerland and Liechtenstein. I receive regular reports detailing this intelligence which I can then review to establish if any of it may link into ongoing investigations or if there is anything of value to pass directly to Swiss law enforcement. For example, the UKFIU may identify that some subjects in Switzerland are paying to access child sexual abuse material on the dark web. In these instances, the UKFIU may issue a sanitised intelligence report with some of the subjects' details which I can then disseminate directly to the relevant federal or Cantonal police force for further research and development.

There is such a huge amount of value in the SARs intelligence in that often previously unidentified financial details, communications details and other potentially linked criminal associates may all be detailed which may not otherwise be known about. I'm routinely approached by police partners in Switzerland with specific queries about subjects they are investigating; in the majority of cases it is SARs intelligence which provides significant additional information to help progress enquiries.

The way we can access and share information is constantly evolving which also comes with challenges. It can be a complex role and involves finding solutions to facilitate the exchanges of intelligence and evidence. The role of SARs intelligence and the UKFIU will continue to be really significant.



# Santander



**Simon Hall**  
**Nominated Officer**  
**Team Manager**

People tend to assume that SARs are only of interest to UK law enforcement. However, they also have the potential to be relevant to international law enforcement and they regularly inform and assist ongoing investigations whether in the UK or abroad.

The UKFIU regularly and securely disseminates SARs intelligence to foreign FIUs either in response to requests for information or proactively via the Egmont secure web or FIU.Net. The Egmont secure web provides the means of sharing intelligence with those FIUs who are part of the Egmont network of global FIUs and FIU.Net is used to share intelligence with member states of the EU and Europol.

Santander had one such case in 2019 where we identified information that required fast time dissemination of SARs intelligence to international partners to secure the arrest and extradition of a wanted criminal hiding in the UK.

Recently one of our Line 1 Financial Crime Teams conducted a proactive review of Europol's most wanted list and potentially identified a match to one of our customers. Banks operate a three lines of defence approach, with Line 1 Financial Crime Teams reviewing initial alerts generated by transaction monitoring, customer screening or payment screening, escalating validated alerts for further investigation where necessary.

The person in question was wanted overseas for human trafficking offences having been part of an organised crime group (OCG). When the account was opened, the customer presented us with a temporary ID card (you do not have to be a resident of the country to be issued one).

During the course of our relationship with the customer we didn't see any overt suspicious activity. But a review of the geographical profile of the transactions didn't appear to correspond with our customer due diligence, with transactions taking place in another part of the UK on a regular basis. The activity on the account was minimal and would not have necessarily been identified by any automated controls – like transaction monitoring.



Transactions on the account consisted of third-party transfers from foreign nationals which were then followed by debits in relation to small daily living expenses, small ATM withdrawals and transfers to third parties.

The Line 1 Financial Crime Team reviewed the identification documentation provided at account opening, comparing and matching it to the Europol website and seeking advice from the Nominated Officer Team, which is partly responsible for reviewing and responding to escalations and referrals seeking advice or guidance on financial crime matters.

It was agreed that an urgent internal SAR should be submitted to our Suspicious Activity Reporting Unit (SARU) for investigation and disclosure to the UKFIU. The SAR was fast-tracked, disclosed to the UKFIU and marked for the attention of the UK International Crime Bureau (ICB). In conjunction with the SARU, the Nominated Officer Team used its contacts within the UKFIU to notify them of the urgent SAR and its reference, requesting that it be disseminated urgently to the ICB and to Europol via FIU.Net.

In the meantime, Santander's Financial Intelligence Unit used contacts in a Regional Organised Crime Unit (ROCU) to disseminate intelligence to the relevant regional police force, who had no prior knowledge that the individual was residing in their area.

As a result of the joint collaboration between Santander's Line 1 Financial Crime Team, the Nominated Officer Team, SARU and our Financial Intelligence Unit, SARs intelligence was disseminated to local and international law enforcement partners which facilitated the issuing and actioning of a European Arrest Warrant. This warrant resulted in the arrest and extradition of the individual back to the country where they were wanted to face charges.



# TransferWise

**Kersti Reinuste**

**Anti-Money Laundering Reporting Team lead**

TransferWise is an international online money transfer platform that uses peer-to-peer technology.

For TransferWise, strong anti-money laundering (AML) compliance means going beyond the requirements placed on us by regulators, government bodies and banking partners to prevent money laundering and the financing of terrorism. However, challenges still remain.

We have a well-developed AML team and our global reach allows us to observe the constantly evolving money laundering and fraud trends across the world. This has been key in developing, customising and improving robust AML processes to quickly address and adapt to changes in patterns of crime. TransferWise's mission is to effectively use state of the art technology to mitigate different financial crime risks, making our service as safe as possible for customers.

SARs have proven to be an effective tool to share data with LEAs to fight financial crime. As our customer base is spread across the world, TransferWise is in contact with various global FIUs to share information and provide assistance to tackle suspicious activities in their respective countries. This includes the UKFIU, one of the groups we report suspicious activities to.

When it comes to AML there are complex hurdles and legal restraints to consider for SARs. Most centre around international communication, such as the legality of sharing data between organisations or measures to apply when it comes to seizure. These demonstrate that information sharing between global LEAs could benefit from faster processes of data sharing where possible, to drive legal action and effectively seize funds in countries where the suspicious activity has occurred or where the victims are located. However, assigning key stakeholders to share information would, in the long term, have a broader impact on fighting financial crime in Europe and across the countries where many of our SARs are filed.

TransferWise also contributes to multiple projects with global stakeholders to tackle crucial societal concerns. Our AML team is eager to contribute with information sharing and unifying measures to recover funds to respective countries/victims. Working together, we'll be better equipped to tackle these issues that affect not only our customers, but too many consumers globally.

## UKFIU International Team

The UKFIU International Team is a single point of contact for UK law enforcement wanting to obtain and identify financial intelligence held by overseas jurisdictions in support of money laundering investigations. The team also deals with over 165 foreign jurisdictions seeking to obtain financial intelligence held in the UK. The International Team serves as both the UK Financial Intelligence Unit and focal point for asset tracing requests, making it easier for law enforcement to trace foreign-based assets of criminals and to share information.

As well as servicing financial requests the team is responsible for the overseas dissemination of SARs or SAR-derived material through various secure international platforms and networks including the ILOs.

In the last calendar year the team received in excess of 1,800 inbound requests from foreign FIUs requesting intelligence from the UKFIU. In addition to this, the team received over 1,400 spontaneous disseminations of intelligence from foreign FIUs. These are then assessed for completeness and passed to the relevant LEA to support active investigations, those at the intelligence development stage or initiating new investigations.

The International Team also processed over 1,400 outbound requests to foreign FIUs on behalf of the NCA (including the UKFIU) and wider law enforcement. The team was additionally asked to facilitate the dissemination of over 800 spontaneous disseminations to support overseas LEAs.

The team individually risk assesses and triages each dissemination to ensure it is managed in compliance with Data Protection, Human Rights and the Principles guidance (which relates to the detention and interviewing of detainees overseas). Any pertinent risk associated with the jurisdiction is considered and mitigated prior to dissemination.

The team seeks to engage with domestic and international partners, participating in SAR working groups and projects to further our understanding and response to illicit finance.

Devoting resources on international work and analysis has enabled us to co-lead on an Egmont project which focused on online child exploitation streaming, alongside the FIUs of Australia and the Philippines. Officers have taken forward innovative data sharing which has demonstrated UKFIU leadership. Our relationship with international partners has also become stronger following an analyst from the Australian FIU joining with the UKFIU to help identify operational opportunities through SARs exploitation.

Other international collaboration has included a UKFIU officer attending a conference in Cologne hosted by the German FIU which supported a multilateral project to combat cross-border money laundering schemes. The UKFIU International Team is also a presence at international forums such as Egmont and the ARO and Asset Recovery Inter-Agency Network, to support collaborative working globally. The UKFIU has since communicated with international partners to share relevant case studies, produce supporting data and identify universal red flag indicators for cross-border money laundering schemes.

# UKFIU Terrorist Finance Team

## Mark Williams

### Head of the UKFIU Terrorist Finance Team

The UKFIU's Terrorist Finance Team (TFT) is fairly unique in that it is one of the few areas of the NCA that deals with terrorism related matters.

In general, the TFT's work falls into two categories:

- Receiving, analysing and disseminating terrorist finance (TF) related intelligence, whether that be in the shape of a Terrorism Act 2000 or Proceeds of Crime Act 2002 SAR or other domestic/international intelligence reports.
- Engaging with key partners across Government and the counter terrorism arena to enable the effective sharing TF related intelligence. The National Terrorist Financial Investigation Unit (NTFIU) within SO15 and the regional counter terrorist financial units across the country tend to be our main operational partners.

We have recently placed much greater emphasis on the international arena. This is down to a number of factors:

- Neither organised crime nor TF groups tend to respect borders and with the growth of Fintech and large financial institutions basing their headquarters overseas, the international element of our work has become more important than ever.
- The Financial Action Task Force's recent mutual evaluation of the UK recommended certain actions i.e. to ensure that financial intelligence is fully exploited and that the UK strengthens its co-operation with foreign FIUs.
- The UKFIU's annual management plan aims to increase the TFT's presence domestically and internationally.





This year the TFT had the opportunity to visit a number of FIUs:

- Luxembourg, who host a number of international financial institutions. Through their FIU's hard work they have developed excellent and open relationships with these institutions which has resulted in an increased flow of information on TF matters impacting on the UK.
- Belgium, who have suffered a number of ISIS/Daesh inspired terrorist attacks; their FIU has developed considerable experience investigating TF related matters.
- The Financial Crimes Enforcement Centre in Washington D.C.. FINCEN is probably one of the largest FIUs and has over 300 staff co-located with various LEAs.
- The Financial Transactions and Reports Centre (FINTRAC) in Ottawa to meet with their TFT (amidst a welcoming snow storm and -20 degrees temperatures).

Ordinarily the 164 Egmont members share international related AML and TF related information through the Egmont Secure Web (Egmont is the coordinating body for the international group of FIUs). This is a useful and effective medium, but having direct contacts and regular engagement with FIUs can often provide a quicker and more dynamic response, especially in the high risk TF arena.

The most striking thing is that the TF threats, whether it be ISIS/Daesh, foreign terrorist fighters or right wing extremism, tend to be the same across the various FIUs and yet each FIU has a different operating model and methods of dealing with these threats and the ever increasing reporting. As we go forward the key will be to identify and develop best practices whilst continuing to build international relationships.

The UKFIU TFT also participates in a number of domestic and international projects. Just recently we have joined an international FIU initiative assessing the threat from the funding of right wing extremism. Yet again there are striking similarities across each foreign jurisdiction although the knowledge base is perhaps not as advanced as the traditional TF activity, so again we are very keen to receive any SARs related to this.

Thanks to some external funding the UKFIU had planned to deliver a fairly ambitious international TF conference in March 2020 aimed at improving the early detection of TF. With attendance from more than a dozen international FIUs, experts from across the TF arena and more than 300 delegates it was hoped that the two day event would have helped financial institutions to better understand the threats and some of the new Fintech advances, plus bring about better international co-operation. Unfortunately, due to the COVID-19 outbreak, the UKFIU decided to cancel the event but we are considering a digitally based event later in the financial year.

## UKFIU SARs Enquiry and Action Team

One of a number of important projects undertaken by the UKFIU has included participation in a Trilateral Partnership Program (TPP) analyst exchange, a multi-lateral project involving analysts from the following FIUs:

- Philippines – Anti-Money Laundering Council (AMLC)
- Australia – Australian Transaction Reports and Analysis Centre (AUSTRAC)
- UKFIU and NCA.

As part of the TPP a participating analyst from each FIU undertook an exchange program hosted by the AMLC in Manila in September 2019. The TPP analyst exchange aimed to gather and develop intelligence focussed on live distance child abuse ('pay per view' offending) facilitating the disclosure of this intelligence between their respective agencies.

The UKFIU's SARs Enquiry and Action Team (SEA) is responsible for a number of daily keyword searches, including the identification of SARs reporting suspicions relating to child sexual exploitation, submitted by various reporters.

A great deal of work was undertaken by members of the SEA and UKFIU International teams prior to and throughout the duration of the program. This ensured that the required SAR research had been undertaken and relevant material generated, suitably evaluated, for inclusion in the exchange. In addition, a number of NCA interested parties and stakeholders assisted the UKFIU in preparing for the TPP.

With the TPP opened by the Executive Director of the AMLC and its key representatives, the importance of combating child sexual exploitation and live distance child abuse was recognised, in particular the significance of joint partnership working assisting in combating this crime.

Presentations were given by each exchange representative, providing a useful insight into each country's FIU and related actions, including their respective understanding of the issues.

Closing speeches on the completion of the week's exchange not only highlighted the seriousness of the crime but also the requirement for ongoing collaboration with international partners and respective agencies being vital.

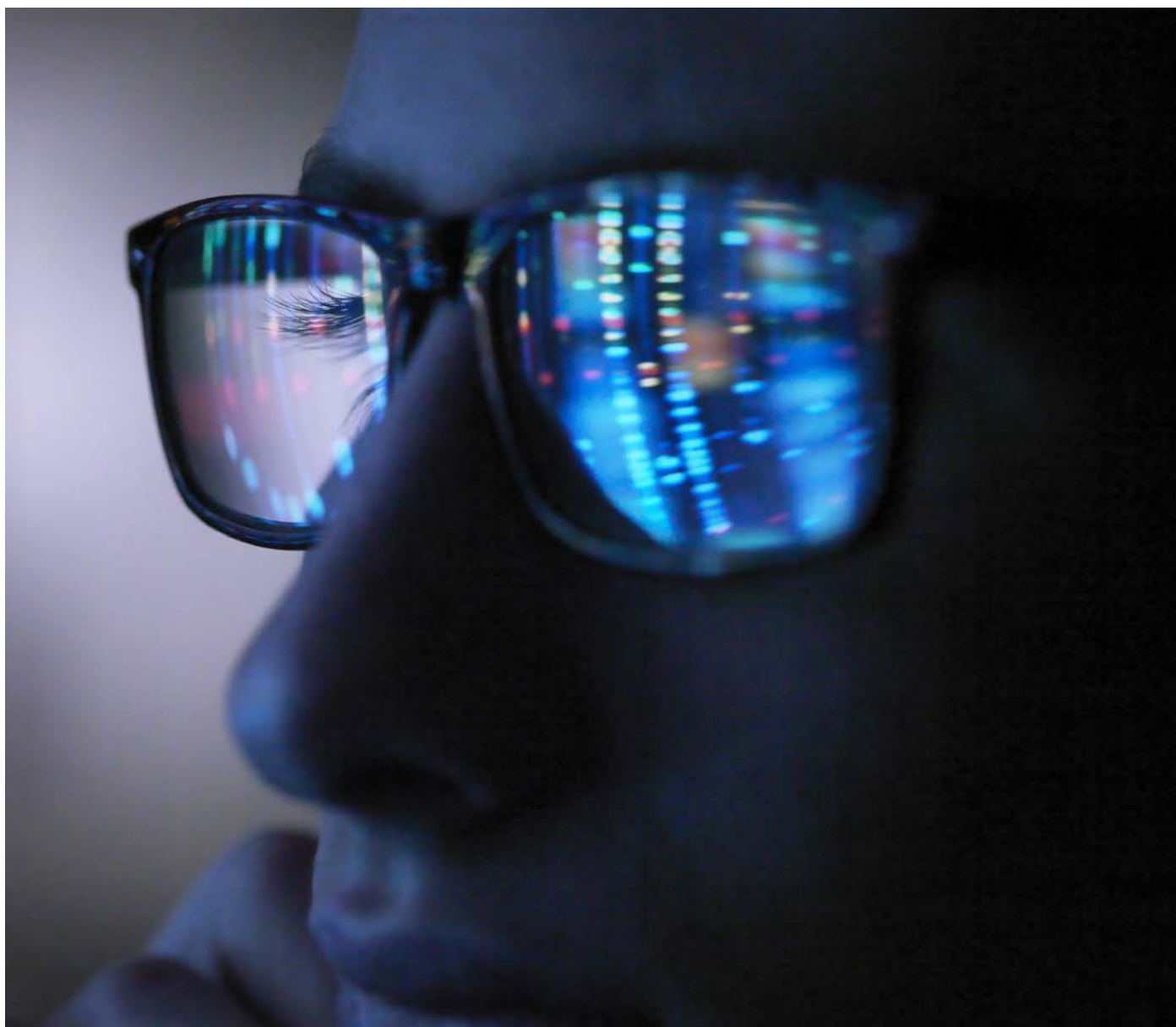
The UKFIU really benefited from its participation in the TPP, a truly worthwhile exercise and collaborative effort. Lessons learnt will benefit the UKFIU's continued coverage of this particular area of serious criminality; safeguarding vulnerable and exploited children both in the UK and worldwide, at the same time assisting law enforcement and partners in identifying and taking action against offenders.

As with all SARs, as much detail as possible being provided as to the basis of suspicion and subject details, including dates of birth and addresses, assists in research and development opportunities, allowing effective use of the information provided.

The importance of the submission of SARs suspected of relating to child sexual exploitation and sharing of related intelligence can assist in supporting new leads, as well as corroborating links between suspected offenders and facilitators. This is not just in the jurisdiction of receipt – evident from the program.

As highlighted in Issue 3 of the UKFIU magazine, in July 2019 the UKFIU attended the Egmont Group Plenary in the Hague. During the meeting international FIUs agreed to a UKFIU proposal to undertake a project on the financial flows associated with online child exploitation streaming, led by the UKFIU with the Australian and Philippines FIUs, supported by participating Egmont members. The aim of this ongoing project is to develop strategic intelligence, enable international tactical intelligence flows and produce indicators for the financial sector; complementing the tactical intelligence development work between the three FIUs.

Phase two of this project is underway and is taking forward innovative data sharing with the private sector which is clearly demonstrating UKFIU/NCA leadership and wider partnership working.



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