

ANNUAL REPORT 2023

& Strategic Analysis



Gibraltar Financial Intelligence Unit

HM Government of Gibraltar

TABLE OF CONTENTS

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3

Director's Message



14

Our Outreach



5

Our Organisation



17

Our International Work
(Egmont/ Quad/ IACCC)



7

Our People



21

Our Partnerships



10

Our Technology



24

Our Achievements



12

Our Strategy



26

Strategic Analysis Report





Edgar Lopez
Director, GFIU

2023 has been remarkable year that saw a ramp-up in demand on the GFIU across all its areas of operability. Once again, our team has risen to the challenge, working incredibly hard and I am incredibly grateful for their efforts. I am also pleased with the support of our partners in both public and private sectors and their acknowledgement of the critical work that the GFIU conducts to strengthen Gibraltar's anti money laundering and counter terrorist financing efforts.

During 2023, the GFIU experienced the highest influx of data received over a year. We will continue to review our demand versus resources to ensure that we operate in a streamlined, efficient, and reliable manner, making optimal use of technology and available resources. We are working closely with government to meet our legal obligations and ensure that we have a modern, agile, and proactive professional unit that is fit for the increasingly complex threat landscape, supported by adequate resources.

Our analytical capability relies heavily on technology, and our digital transformation continued throughout 2023. The vast amount of data we process requires advanced technological solutions. Thanks to the financial investment from HM Government of Gibraltar, we have acquired cutting-edge analytical software, strengthening our capabilities. Furthermore, we have initiated exploration into artificial intelligence and machine learning technologies that will allow us to optimise our operational capacity.

2023 has been a year of significant accomplishments. Having satisfied the FATF assessment team during the ICRG process, we have been extremely proud of our efforts that minimised the impact of the FATF grey-listing process. This allowed us more time to focus on other areas of business such as enhancing existing and establishing new partnerships. We have worked tirelessly to ensure that despite our size the GFIU becomes an important body on the world stage, and we expect further progress and some great results in 2024.





We take pride in new membership of institutions such as the Royal United Services Institute (RUSI), and Cifas, the UK's foremost fraud prevention service, responsible for managing the National Fraud Database. Through our tenure as Chair of the Quad Island Forum we have managed to tap into new sources of information, further expanding our reach.

Much of the GFU's success stems from collaborative efforts among our counterparts in foreign FIUs, law enforcement, international bodies, academics, and the private sector. Looking forward, I would like to pursue the continued investment in the sustainability of our global network, ensuring that we maintain the necessary links, support, and capacity to meet the increasing demands effectively.

We are confident that the investment in Project Nexus and its engagement clinics is paying dividends, which is evident in the uptick of better-quality disclosures and a deeper understanding of broader predicate offences. Furthermore, we had the privilege of providing specialist training to other jurisdictions. This not only demonstrates our ability to offer specialised expertise to other jurisdictions but also highlights Gibraltar's status on the global stage as a leading jurisdiction with a robust AML/CFT/CPF framework.

I must acknowledge the Head of Operations, Carl Ramagge, for his continued support in delivering the Strategic Plan and his focus on enhancing our intelligence products. His legal background has been invaluable in providing a distinct perspective, not only in operational matters but also strategic initiatives. I would also like to express my gratitude to our Financial Crime Analyst whose expertise in data analysis allows us to publish strategic outcomes in this report.

As we start to navigate our way through our next Moneyval assessment, I am convinced that through our flexibility and creativity we can achieve outstanding results but let us all continue to work closely together to emerge from our FATF grey listing experience, stronger and more resilient than ever.





The Gibraltar Financial Intelligence Unit (GFIU) is the central hub of financial intelligence in Gibraltar. It was established in January 1996 to gather, store, analyse and disseminate intelligence related to criminal conduct, (including but not limited to money laundering, the financing of terrorism and the proliferation of weapons of mass destruction), transacted or attempted to be transacted through relevant financial businesses.

As a key partner in the fight against economic crime, the GFIU chairs and participates in a number of working groups, such as the Joint Financial Intelligence Tasking Group, the Joint Coordinating Intelligence Group to Counter Proliferation Financing and the Financial Liaison and Intelligence Network (FLINT).

The GFIU also provides feedback to financial institutions and through its outreach programme Project Nexus it aims to enhance awareness on money laundering, terrorist financing, human trafficking and proliferation of weapons of mass destruction. It also produces guidance on a number of areas which assists reporting entities in improving the quality of the suspicious activity reports.

Led by a Director, the GFIU is made up of a Domestic, International and Analysis Desk, with a permanent core of Financial Intelligence Officers, and Financial Crime Analysts, with specialist officers on secondment from the Royal Gibraltar Police, HM Customs and the Gambling Division. The operational activities of the GFIU is managed by a Head of Operations who also provides internal legal support. The GFIU functions in accordance with the Financial Action Task Force (FATF) Recommendations and Standards and is evaluated by the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL).

The GFIU is a member of the Egmont Group of Financial Intelligence Units, an associate member of the International Anti-Corruption Coordinating Centre (IACCC), participating in Europol's Financial Intelligence Public-Private Partnerships (EFIPPP), collaborating with Cifas, the UK's fraud database, and partnering with the Royal United Services Institute (RUSI). This plays a critical role in the global fight against economic crime. Additionally, the GFIU is also member of the Quad Island Forum together with the Financial Intelligence Units from Guernsey, Isle of Man and Jersey.





OUR PEOPLE





Director

Edgar has had a distinguished career serving as a police officer in the Royal Gibraltar Police, primarily working in specialist departments within the Crime and Protective Services Division. He was the Head of Special Branch before becoming the Head of Interpol Gibraltar Sub-Bureau, gaining experience in criminal and counter-terrorism intelligence. He holds a Masters on International Affairs specialising in Cybersecurity at King's College London. His dissertation focused on the use of the cyber domain by state actors to fund illicit nuclear weapons and missile programs.

With experience in the MONEYVAL and Financial Action Task Force (FATF) processes, Edgar brings in a wealth of knowledge in the FATF Recommendations and Standards. He remains focused on tackling proceeds of crime specifically on victim-based crime such as Human Trafficking, Cyber-enabled Fraud and Online Child Sexual Abuse and Exploitation. He is keen to exploit all opportunities to enhance information sharing between the public and private sector. He currently chairs the Financial Liaison and Intelligence Network (FLINT) and the Royal Gibraltar Police's Ethics Committee. He has been Chair of the Quad Island Forum since June 2022 and as the Director of the GFIU represents Gibraltar at the Egmont Group and the Council of Europe's MONEYVAL plenaries.



Head of Operations

In December 2021, Carl Ramage joined GFIU as Head of Operations. Carl was called to the Bar of England and Wales (and Gibraltar) in 2007 and brings with him almost 15 years of Criminal Justice experience. In 2013 he was appointed Crown Counsel for HM Government of Gibraltar and spent 8 years at the Office of Criminal Prosecutions and Litigation (OCP&L).

At OCP&L he worked on some of Gibraltar's most important trials for offences such as Murder, Rape, Serious sexual assaults, and offences against children. He had also undertaken specialist training in Rape and Serious Sexual Offences with the Crown Prosecution Service in the UK. He has also prosecuted financial crimes including fraud and false accounting and some have resulted in the crown confiscating the proceeds of crime.

During 2023, Carl attended numerous courses required to upskill in economic crime and financial intelligence. He attended events such as the 'Future of AML: Building Resilience in the Evolving Financial Crime Environment' organised by FIU Latvia and MONEYVAL and presented at the Offshore Alert event in London in December 2023. In Gibraltar, he continued to engage with the private sector through Project Nexus events delivering at numerous engagement clinics and events.



Our Team

The GFIU's operational structure, comprising the International, Domestic, and Analysis Desks, creates a more flexible, dynamic, and agile process. The Analysis Desk plays a pivotal role by providing critical support to the entire team. Our Financial Intelligence Officers (FIOs) collaborate closely with our Analysts, overseen by our Head of Operations and supported by our Financial Intelligence Support Officers. Their diverse skill set complements a modern working environment that amplifies the strategic objectives of the GFIU.

We prioritise inclusivity and diversity in our workplace, aiming to empower staff members to reach their full potential and contribute to the GFIU's performance. By bringing together a wide range of skills, knowledge, and experiences, we enhance productivity, decision-making, and problem-solving capabilities. All our staff conduct in-house training and mentoring program followed by a FIO course with the UK's Proceeds of Crimes Centre (the body that accredits and monitors the performance of all financial investigators in England, Wales and Northern Ireland).

We have established a culture that values diversity and embraces differences. This supports a positive and healthy work environment where individuals feel empowered to make choices, developing innovation and productivity. This approach is





reinforced by effective leadership and management practices, all of which are aligned with our 3-year Strategic Plan.

Training is an integral aspect of the GFIU, ensuring the maintenance of core skills. We regularly conduct in-house training sessions and utilize e-learning courses from various providers, including Egmont's ECOFEL and Interpol's "I-Le@rn" systems, to stay updated. Since becoming associate members of the International Anti-Corruption Coordinating Centre (IACCC), our officers have participated in numerous specialised courses. These courses cover a wide range of topics such as darknet investigations, cryptocurrency, strategic analysis, and introduction to forensic accounting, enhancing our capacity across all areas of economic crime. Through the Quad Island Forum, we are undertaking a cross-jurisdictional comparative assessment aimed not only at understanding our specific needs but also at identifying opportunities to develop new training initiatives in a cost-effective manner.





THEMIS - Online Reporting System

THEMIS serves as the primary IT case management system for the GFIU, facilitating the secure submission of Suspicious Activity Reports (SARs). Since its inception in 2019, continuous enhancements have rendered it a versatile, user-friendly, and sophisticated platform, adapting to the evolving needs of the GFIU's digital journey. Through its modular framework, additional functionalities have seamlessly integrated, improving interoperability, resilience, and enhancing security. Comprising an online portal for MLROs and a restricted-access system for GFIU, LEAs, and Government Law Offices for MLA requests, THEMIS streamlines SAR creation, allowing for detailed input while maintaining flexibility for reporting even with limited information.

SARs are processed within our internal system, allowing us to communicate with reporting entities through the MLRO portal by sending requests for additional information. This system also enables secure distribution of letters and notices to all registered MLROs, covering various topics such as requests for information about persons of interest or updates on legislation changes. Our workflow process, configurable by the GFIU, involves creating tasks that must be completed before closing an SAR, ensuring thoroughness without rigid constraints on user methods.

Continuous developments have significantly enhanced the system's capabilities, turning it into a central repository for financial intelligence, including international requests, spontaneous intelligence, MLA requests, LEA notifications, data requests, cash declarations, sanctions, and other intelligence functions.

In 2022, THEMIS underwent an upgrade, incorporating a sanctions monitoring module. This module cross-references sanctioned individuals and entities with the THEMIS database, issuing notifications to all reporting entities regarding the latest entries in the Sanctions list.

THEMIS now benefits from the integration of a visual data dashboard, enhancing analytical capabilities. This complementary system, operating alongside THEMIS, has proven its considerable value during testing, particularly in strategic analysis and data management functions.

In addition to the recent enhancements, the GFIU has initiated collaborations with several firms to integrate artificial intelligence (AI) in our database. This strategic move aims to enhance the detection and identification of money laundering and terrorist financing within the database. By applying AI technologies, the GFIU anticipates improved accuracy and efficiency in identifying economic crime. Through these partnerships, the GFIU is actively pursuing cutting-edge solutions to stay ahead in the ongoing battle against illicit financial activities.





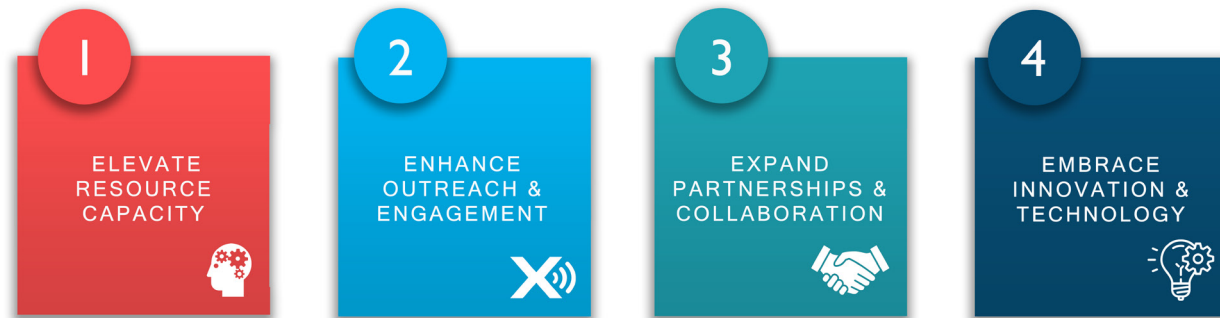
OUR STRATEGY



Our vision remains unchanged. With the 2023-2026 Strategic Plan serving as our guiding path towards a more impactful presence in the global fight against economic crime. It's a foundational blueprint based on the four "E's" that will ensure the GFIU realises its priorities through the evolving threat landscape. By pinpointing key focus areas, the plan directs maximum effort towards meeting operational needs in parallel to the ongoing development of staff skills and capacities, alongside innovation and stakeholder engagement to tackle new challenges effectively.

Building upon our momentum from the 2020-2023 Strategic Plan, we've aligned our priorities with both public and private sectors. This aims to improve our capabilities in identifying and protecting vulnerabilities exploited by criminals and terrorists. Our approach emphasises adaptability and resilience, underpinned by data-driven assessments and feedback mechanisms. Project Nexus remains our flagship outreach program, with full internal and external partner support vital for achieving exceptional outcomes.

We're committed to applying technological advancements and collaborating with stakeholders to harness innovative solutions. This new plan will serve as the backbone of our digital transformation journey, utilising technology to elevate our ambitions and capabilities to new levels.





OUR OUTREACH



Outreach & Engagement



Nexus was chosen as a project name because it gave it a unique brand and means **'a connection or series of connections linking two or more things together'**. This is exactly what the outreach program is designed to do; connect the public sector with the private sector to raise awareness in the fight against economic crime.

Our work is also supported by the feedback we receive through the integrated questionnaires in both our e-Nexus series and when conducting in-person training. This feedback is very useful to assist us in looking at areas of improvement and we make sure that all the comments are reviewed and addressed where possible.

Project Nexus is an award winning outreach initiative aimed at engaging reporting entities mandated to submit Suspicious Activity Reports (SARs) by law. The GFIU has actively solicited support from crucial partners and stakeholders to underscore the role of financial intelligence in safeguarding Gibraltar's financial center against risks of Money Laundering, Terrorist Financing, and Proliferation Financing. This outreach effort aims to boost awareness, improve operational practices, facilitate smoother communication, and establish a platform for staying updated on current legislation, evolving financial obligations, and the ever-changing tactics employed by criminals and terrorists in money laundering activities.

The impact of Project Nexus has already been noticed in the quality of the reports submitted to GFIU. The introduction of the Project Nexus Engagement Clinics have also proven instrumental in enhancing knowledge and understanding of economic crime and other criminal conduct among professionals in the private sector. These clinics serve as collaborative forum where industry professionals receive targeted training in a specific topic related to identifying and combating economic crime. Through these clinics, participants have gained valuable insights and practical skills,

enabling them to more effectively detect and report suspicious activities.

Our 2021-2024 three-year Corporate Communication Strategy complements the objectives of our outreach initiative, offering various channels for interaction between the GFIU and the private sector.

Feedback received from the participants across a range of events shows that 100% of respondents rated the quality of the events as excellent or good (69% Excellent/ 31% Good).

Below are some of the key messages received through feedback from the private sector.

excellent
best training session
informative educational
engaging brilliant
delivery was excellent
eye-opening insightful fantastic
the most relevant training in years
well done! productive great
thought provoking well presented



The three-phases of Project Nexus



To enhance the good rapport established over the years between the industry and key partners, which had been improved by the support from the Gibraltar Association of Compliance Officers.

To ensure that the subjects in the program of events covered the most relevant and current information available, delivered through a forecast of regular events.

To develop a means of delivering training through the use of technology.



The e-Nexus Series is an online initiative tailored to engage both financial and non-financial reporting entities using an e-learning platform. Through e-Nexus, participants gain access to training sessions and workshops aimed at increasing awareness of recent legislative updates, international financial obligations, and the evolving typologies employed by criminals and terrorists in illicit financial activities. Each customised workshop is interactive, allowing users to proceed at their own pace and at their convenience. The platform which now has over 500 registered users provides a flexible access to educational resources where users can engage at their own pace and convenience. It has proved to be an effective way in delivering key messaging to deepen the understanding of residual and emerging threats to our finance centre.

The overall feedback of the e-Nexus workshops completed by users showed 97% of respondents rated the quality of the workshop as excellent or good (58% Excellent/ 39% Good).







Established in 1995, the Egmont Group is an international forum comprising of 174 Financial Intelligence Units (FIUs).

It provides a platform for the secure exchange of expertise and financial intelligence to combat Money Laundering and Terrorist Financing using a secure communication system called the 'Egmont Secure Web' (ESW).

The GFIU is an Egmont Group member, since 2004, and it exchanges information regularly with its foreign counterparts. It makes a significant contribution in the global fight against Money Laundering, Terrorist Financing and Proliferation Financing. Through the Egmont Group, the GFIU can engage in effective cooperation and although it does not legally require a Memorandum of Understanding (MoU), it has signed a number of them with key partners to ensure that they provide a framework for information exchange. As part of information exchange processes, the GFIU also cooperates with non-counterpart authorities within the framework of diagonal cooperation.

In February 2023, the GFIU attended the Egmont Group's Working and Regional Group meetings (IEWG) in Dakar, Senegal.

In July 2023, the GFIU attended the 29th Annual Egmont Group Plenary, in Abu Dhabi, hosted by the UAE Financial Intelligence. With over 500 representatives from FIUs across the world, Heads of FIUs and other experts in financial crime operational and strategic matters were discussed to help protect global financial institutions from criminal abuse and improve collaboration to exchange information.

The theme was the "Use of Advanced IT Technologies by Financial Intelligence Units (FIUs) to Enhance their Operations", which included the use of artificial intelligence to improve effective collaboration,

the use of privacy-enhancing technologies, best practices in information exchanges, and training opportunities through the ECOFEL programme. It also took the opportunity to sign an MoU with the Hellenic FIU (Greece), that will further strengthen cooperation between Gibraltar and Greece in the fight against financial crime.

The Director of the GFIU commented that, "Transnational organised crime, money laundering and terrorist financing requires a unified global approach that can only be achieved by strong international cooperation and collaboration with our global partners. The Egmont Plenary is an essential platform that allows us to build on robust measures to detect and identify criminal activity and those that exploit financial systems to conceal the illicit gains. The networking opportunities that Egmont provides cannot be underestimated and forms the backbone of our continued effort to increase our effectiveness." He added, "Our participation and contribution to Egmont projects through the Information Exchange Working Group (IEWG) provides a broader exposure and raises the GFIU's profile internationally".



The GFIU became an Associate Member of the IACCC, on the 30th of July 2020. Hosted by the National Crime Agency in London, the IACCC allows Law Enforcement Agencies from smaller financial centres to rapidly exchange intelligence with the IACCC and assist with the development of the intelligence picture on grand corruption cases. Made up of nine law enforcement agencies from Australia, Canada, New Zealand, the U.K., USA, and Singapore, the IACCC can provide further support to partners across the world with grand corruption investigations, including the facilitation of Mutual Legal Assistance (MLA) requests between their jurisdictions. As an operational partner, Interpol has provided operational support on specific cases, generated case referrals and delivered regional capacity building activities.



As an Associate Member, we now have a dedicated liaison officer to assist when required in the processing of intelligence related to grand corruption. The corrosive impact grand corruption has on communities, states and global economy can be devastating. Those who seek to hide and disguise their illicit funds may think that Gibraltar, as a small finance centre, is an attractive option to them. However, our comprehensive legal framework provides all that is necessary to detect, restrain and confiscate the proceeds of crime. Furthermore, Gibraltar has a strong commitment to ensure that it denies criminals access to their assets and through collaborative work; make it harder for criminals.

The IACCC Associate Members are:

- Bermuda Police Service
- Cayman Islands Anti-Corruption Commission
- Royal Cayman Islands Police Service
- Gibraltar Financial Intelligence Unit
- Guernsey Financial Intelligence Unit

- Isle of Man Financial Intelligence Unit
- Jersey Financial Intelligence Unit
- Malta Financial Intelligence Unit
- Mauritius Financial Intelligence Unit
- Mauritius Independent Commission Against Corruption
- Seychelles Anti-Corruption Commission
- Seychelles Financial Intelligence Unit
- Turks and Caicos Integrity Commission

The Associate Membership Scheme further strengthens the IACCC as an initiative to provide specific operational support to external law enforcement agencies with their domestic corruption cases. Hopefully, the introduction of the Associate Membership Scheme will build on the successes achieved since the IACCC became operational in July 2017.

Since the GFIU joined, we have been able to make use of the valuable training provided through the IACCC on bribery and corruption, including cryptocurrency investigations and open-source intelligence. In April 2023, the GFIU attended the IACCC annual meeting in Miami, USA, which strengthened our understanding of the scale of grand corruption and also on the tools that we have at our disposal through the IACCC.



The Financial Intelligence Units from the Crown Dependencies (Guernsey, Isle of Man, and Jersey), as well as Gibraltar, have collaborated extensively for several years. This collaboration is facilitated through the establishment of the Quad Island Forum, which serves as a platform for sharing experiences, best practices and jointly pursuing common objectives. Recognising the critical role of international cooperation in transnational crime, the Quad emphasises the necessity of partnering with similar FIUs in other international financial centres. This partnership serves as a vital mechanism for effectively addressing shared criminal threats, given our aligned values, similar challenges, and organisational structures.



Throughout 2023, the Quad held both virtual and in-person meetings, hosted at Gibraltar House in London. These meetings provided opportunities for key stakeholders from UK law enforcement agencies, foreign FIUs, and the private sector to engage in discussions on pertinent issues. Additionally, the Quad's subgroups, including the Strategic Analysis, Terrorist Financing, Public-Private Partnerships and the Economic Crime Units met during the year, promoting deeper relationships and broadening the participation among relevant agencies. It has promoted closer ties with Economic Crime Units and explored new relationships with Tax authorities. These initiatives enable the Quad Island Forum to effectively address the diverse demands across the four jurisdictions.

The Quad Island Forum has facilitated joint training initiatives and participation in specialised courses, such as the Terrorist Financing Course conducted by the UK's National Terrorist Financing Intelligence Unit, a tailored Money Laundering, Bribery, and Corruption Course delivered in collaboration with the City of London Police, and a bespoke Introduction to Counter Proliferation Financing delivered jointly by the GFIU and the Isle of Man FIU. These training opportunities not only further strengthen our collective capabilities but it also proves to be cost-effective in using shared resources for training and capacity building.





OUR PARTNERSHIPS





The complexity of economic crime, coupled with its increasingly transnational nature, places greater demands on resources. In smaller jurisdictions like Gibraltar, effective approaches requires improved interagency collaboration. The Inter Agency Working Group ensures our ability to tackle new challenges, with the GFIU playing a pivotal role, supporting both law enforcement and supervisory bodies. The GFIU operates independently and has the autonomy to engage with partners through formal Memorandums of Understanding (MoUs).

These MoUs establish a structured framework for cooperation, prompting the GFIU to sign agreements with key partners. In June 2022, the GFIU initiated a Public Private Partnership to combat economic crime: the Financial Liaison and Intelligence Network (FLINT). FLINT embraces the expertise and resources of public sector bodies responsible for combating money laundering, terrorist financing, and proliferation financing, together with industry experts from the banking sector.

FLINT's establishment ensures collaborative efforts among partners to identify and mitigate emerging and persistent risks through strategic and operational intelligence. It facilitates the development of sector-specific typologies on evolving criminal trends and offers informed analysis for future National Risk Assessments. Enhanced information sharing among law enforcement entities in Gibraltar enables a deeper understanding of specific risks and vulnerabilities.

The establishment of FLINT ensures that all partners can work collaboratively to identify and address emerging and residual risks through strategic and operational intelligence. FLINT provides opportunities at a strategic level to develop sectoral typologies on emerging or existing trends used by criminals. It also provides a more comprehensive and better-informed analysis for future National Risk Assessments. The sharing of information by law enforcement can have greater benefits for understanding specific risks and vulnerabilities in Gibraltar.

Through the establishment of FLINT and our membership of the Quad Island Forum we have been able to align ourselves with the UK's Joint Money Laundering Intelligence Task Force (JMLIT+), further enhancing our intelligence capabilities. We have actively been exploring new partners with organisations such as the Europol Financial Intelligence Public Private Partnership (EFIPPP) to broaden our collaborative efforts in combating money laundering, terrorism financing, and proliferation financing on a global scale.





Royal United Services Institute – Centre For Financial Crime & Security Studies

In July 2023, the GFIU was delighted to announce a partnership with the prestigious Centre for Financial Crime and Security Studies (CFCS), at the Royal United Services Institute (RUSI). The CFCS focuses on the nexus of finance and global security. Its pioneering analysis and practical insights aim to disrupt conventional norms and build resilience in the global efforts against illicit finance.

RUSI is the world’s oldest and the UK’s leading defence and security think tank. Its mission is to inform, influence and enhance public debate to help build a safer and more stable world.

CIFAS

In November 2023, we partnered with Cifas, the UK’s fraud prevention community in the fight against economic crime. Cifas collaborates with police and Law Enforcement Agencies to assist them in the prevention of fraud and economic crime. Cifas also support them in the disruption of fraudsters who are harming the organisations that contribute to Cifas’ databases.

Our commitment to combating economic crime aligns with Cifas’s mission, and we’re keen to contribute to this. Cifas brings together a diverse range of partners and as members, we’ll be part of a powerful network dedicated to sharing insights, best practices, and intelligence to stay one step ahead of criminals.

This partnership reflects one of our strategic priorities and our ongoing dedication to enhancing global security, collaboration, and access to expertise in tackling emerging challenges.





OUR ACHIEVEMENTS



During 2023, the GFIU has made the following achievements.

- Launched new e-Nexus workshop on the FATF evaluation process
- Conducted strategic level meetings with the Financial Liaison & Intelligence Network (FLINT) public-private partnership
- Completed a project to integrate data for analysis using a visual dashboard system
- Delivered training on Proliferation Financing to several jurisdictions including Mongolia and Guernsey
- Conducted sector specific training to improve the quality of Suspicious Activity Reports under Project Nexus
- Chaired the Quad Islands Forum of FIUs
- Strengthened our relationship with the Vatican FIU and exchanged best practices in small jurisdictions
- Participated and spoke in numerous events including Offshore Alert in London
- Became partners of the Royal United Services Institute (RUSI), Centre for Financial Crime & Security Studies
- Became members of Cifas, the UK's leading fraud prevention service
- Attended the Council of Europe's "Future of AML: building resilience in the evolving financial crime environment" conference in Riga, Latvia
- Participated in the FATF Interpol FIRE II event in Lyon that focuses on Asset Recovery
- Participated in the ECOFEL workshop hosted by the Taiwanese FIU on Asset Recovery
- Represented Gibraltar in the FCDO's, "Illicit Financing Dialogue" meetings, hosted by the British Virgin Islands
- Hosted a Terrorist Financing Course in Gibraltar through the Quad Island Forum for FIU and Law Enforcement Agencies in collaboration with the UK's National Terrorist Financing Intelligence Unit (NTFIU)
- Engaged with STAR (Stolen Asset Recovery Initiative - The World Bank | UNODC) to incorporate recommendations from their Taxing Crimes research on information exchange for both FIUs and Tax Authorities.





Strategic Analysis Overview

The GFIU has undertaken several initiatives in recent years to enhance the quality of its strategic analysis products, including conducting surveys to gauge its effectiveness. This report represents an integration of financial data with a strategic analysis process aimed at providing professionals and stakeholders with deeper insights into money laundering, terrorist financing, and proliferation financing trends and patterns relevant to Gibraltar.

Using various resources and methodologies, this strategic analysis report aims to achieve the following objectives:

- Collating annual data to identify patterns and recurring concepts within the financial landscape.
- Collecting, assessing, and organizing additional information from other competent authorities, as necessary, to enhance the findings and insights.
- Identifying connections or links between various pieces of information to uncover hidden relationships and potential trends within the data.

The strategic analysis, which follows, focuses and highlights the main money laundering threats and vulnerabilities as reported by Gibraltar based entities and from other sources of intelligence.

There was a 40% increase in the number of SARs

received for 2023 compared to the number received for 2022. The increase is attributed to a significant increase in the SARs submitted by the gaming, DLT and banking sectors, which remain the top reporting sectors.

As in previous years, money laundering and fraud continue to be the top suspected criminality of SARs. Sexual exploitation reported by the DLT sector has seen a significant rise with the suspicion of direct and indirect exposure to child abuse material in the darknet.

KYC related issues and adverse media / open source remained the principal grounds for suspicion for SARs.

SARs received in 2023 had a nexus to 91 jurisdictions. The UK remained the top jurisdiction to which SARs had a nexus. The UK was also the top jurisdiction to incoming and outgoing Egmont requests. SARs received with a Brazilian or Mexican nexus saw a substantial rise from the gaming and DLT sectors respectively.

3,098 SARs received were dual disclosed. This represents 63% of SARs received. The majority of these SARs were reported by the gaming sector and had a UK nexus.

98% of graded SARs were deemed to meet the GFIU standard and only 0.7% of SARs were deemed to be defensive in nature.

317 consent requests were received which represents a 74% increase compared to 2022.

The number of spontaneous Intelligence reports disseminated to other jurisdictions decreased by 17% when compared to 2022. Mexico and Brazil were the top jurisdictions where these reports were disseminated to.

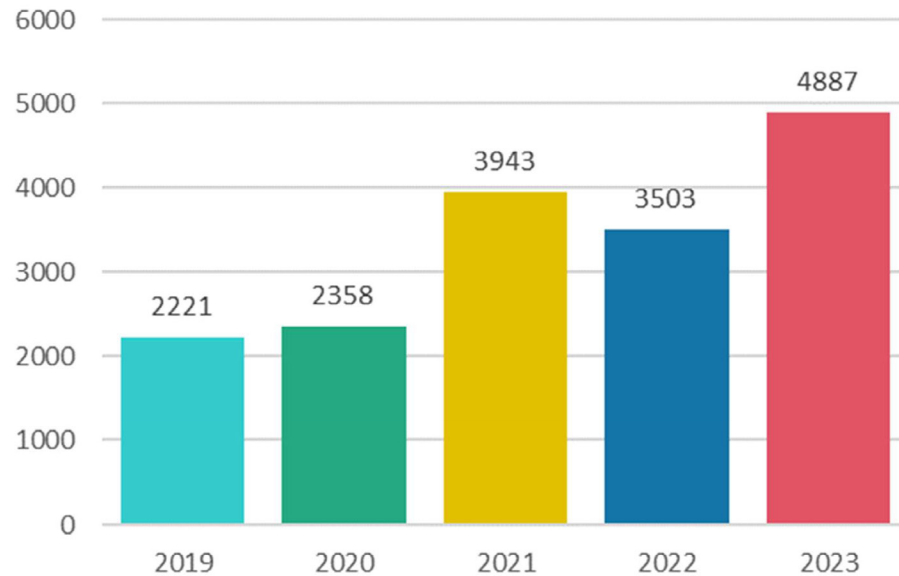
132 intelligence reports were disseminated to Gibraltar Law Enforcement Agencies and Supervisory Bodies. This represents a 28% increase compared to 2022.

During 2023, incoming Egmont requests experienced a 31% increase compared to the previous year, 2022. The majority of these incoming Egmont requests, as well as spontaneous intelligence received, were associated with the Trust and Company Service Providers (TCSP), Distributed Ledger Technology (DLT), banking, and e-money sectors. The suspected criminalities reported in these requests were predominantly linked to money laundering and fraud, aligning with the suspected criminality patterns observed in SARs and to the risks in the 2020 National Risk Assessment (NRA).

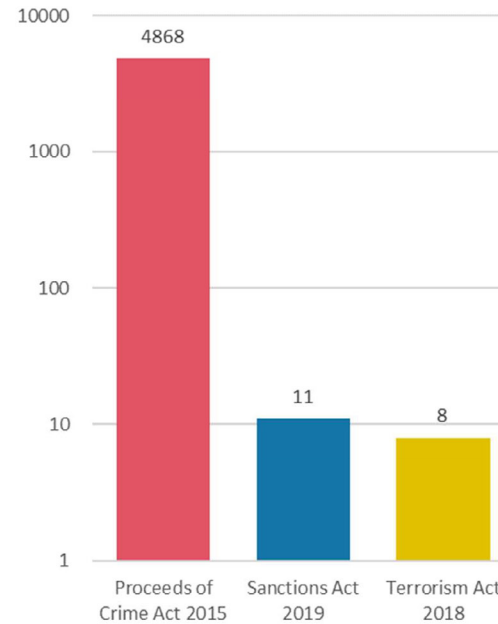


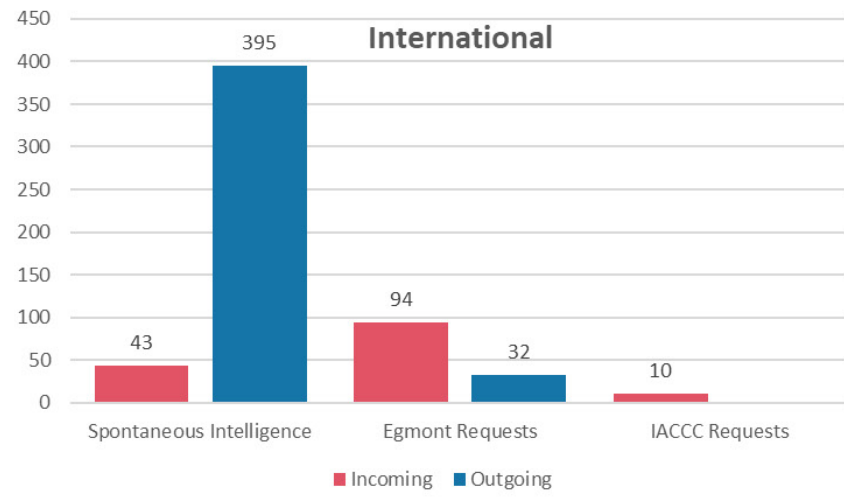
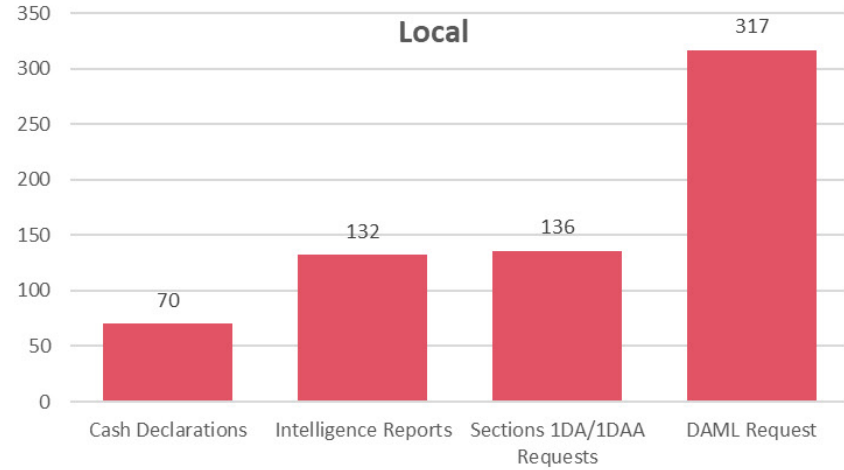
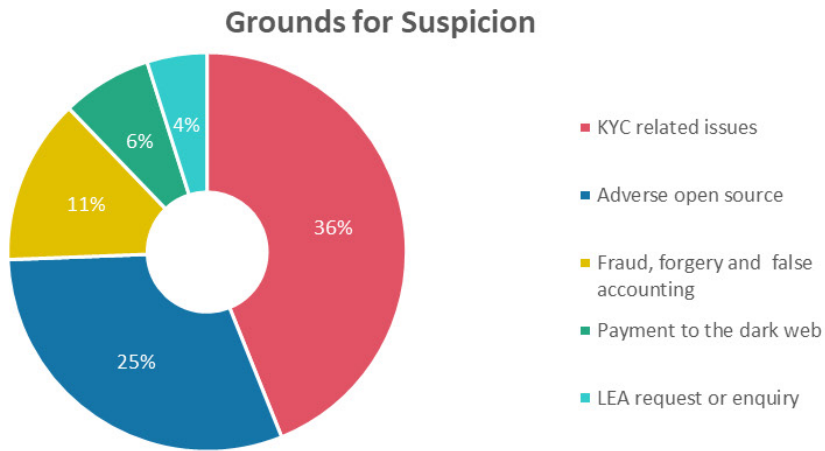
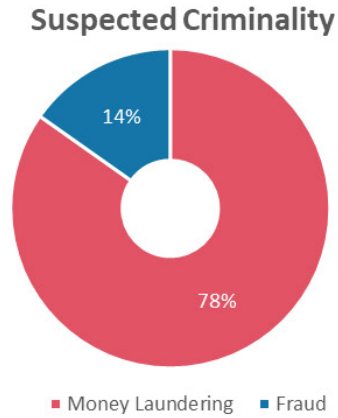
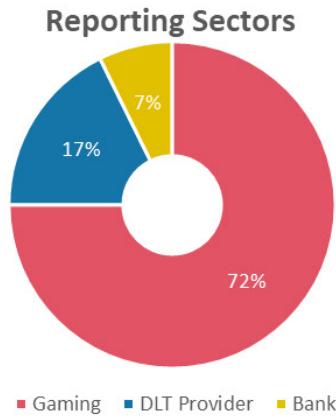
The statistics presented in this report, unless specified otherwise, cover the year 2023 and are compared to 2022. These statistics have been gathered from our reporting system, Themis, and analysed using analytical software. It is important to note that Themis is a live database, so the data provided in this report represents a snapshot in time and may differ from other reports published by the GFIU. Any variations should not be substantial, but they may occur due to updates or additional information being requested.

SARs received by the GFIU



Legislation



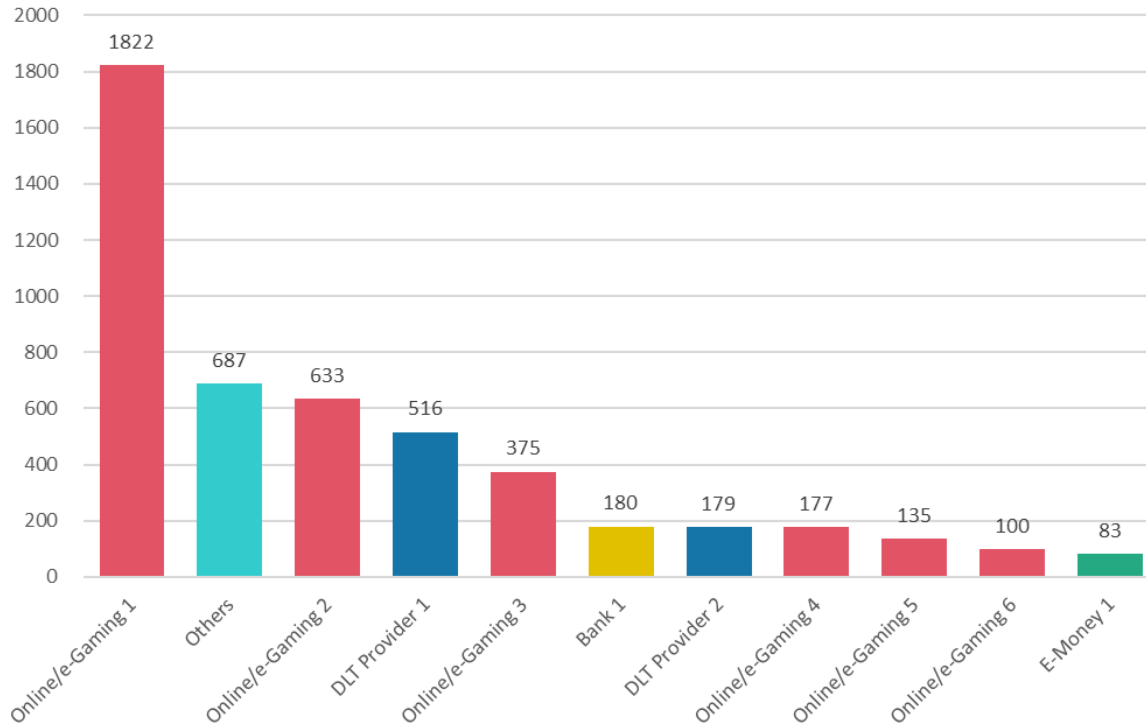


*Section 1DA/1DAA requests under the Proceeds of Crime are request to relevant financial business for relevant information.



Two gaming entities were the top reporters and combined accounted for 50% of SARs submitted in 2023.

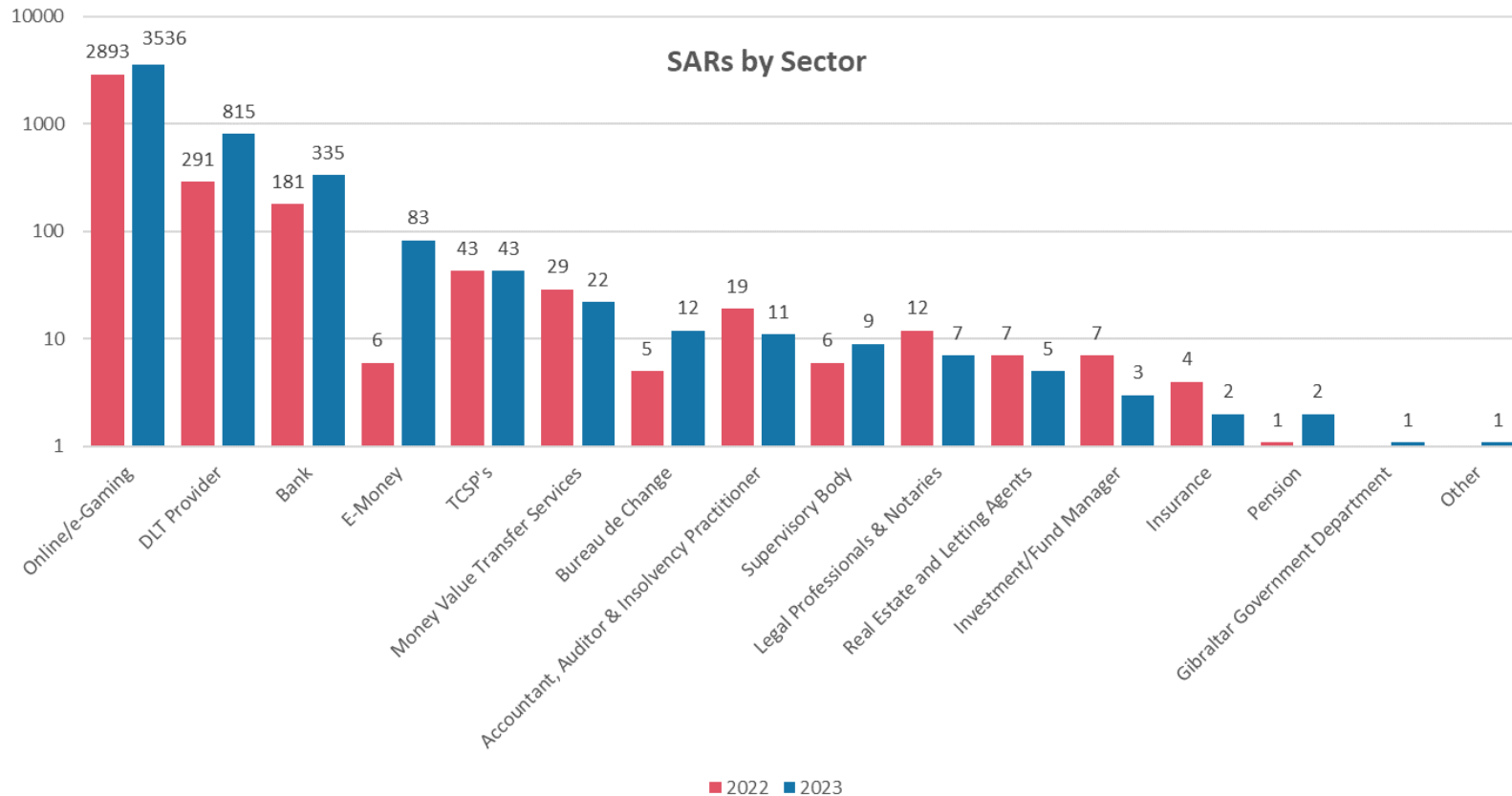
The top ten reporting entities submitted 86% of all SARs.



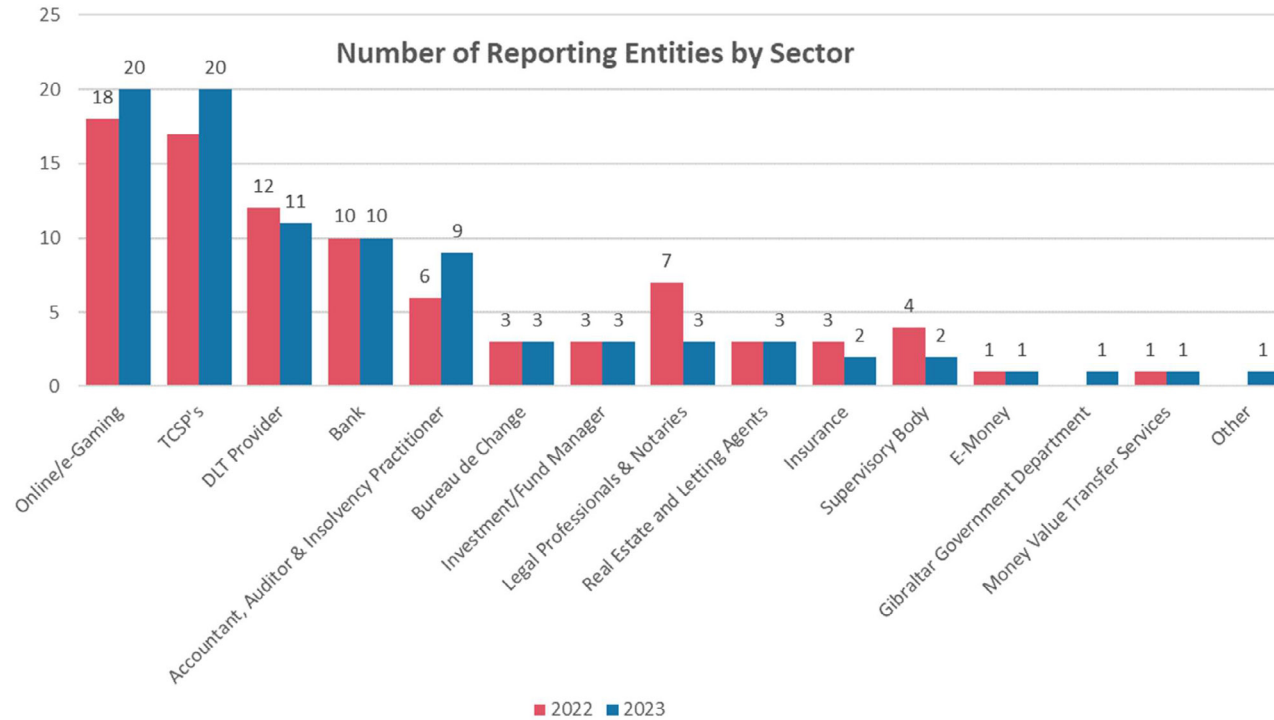
Reporting Sectors

4,887 SARs were received in 2023, which represents a 40% increase compared to 2022.

As with previous years the gaming sector was the highest reporting sector with 3,536 SARs, which represent 72% of the SARs received. 85% of the gaming SARs were dual reported to foreign jurisdiction. The DLT sector saw a significant increase in reporting and accounted for 17% of the SARs received. There were also significant increases in the number of SARs submitted by the banking and e-money sectors.



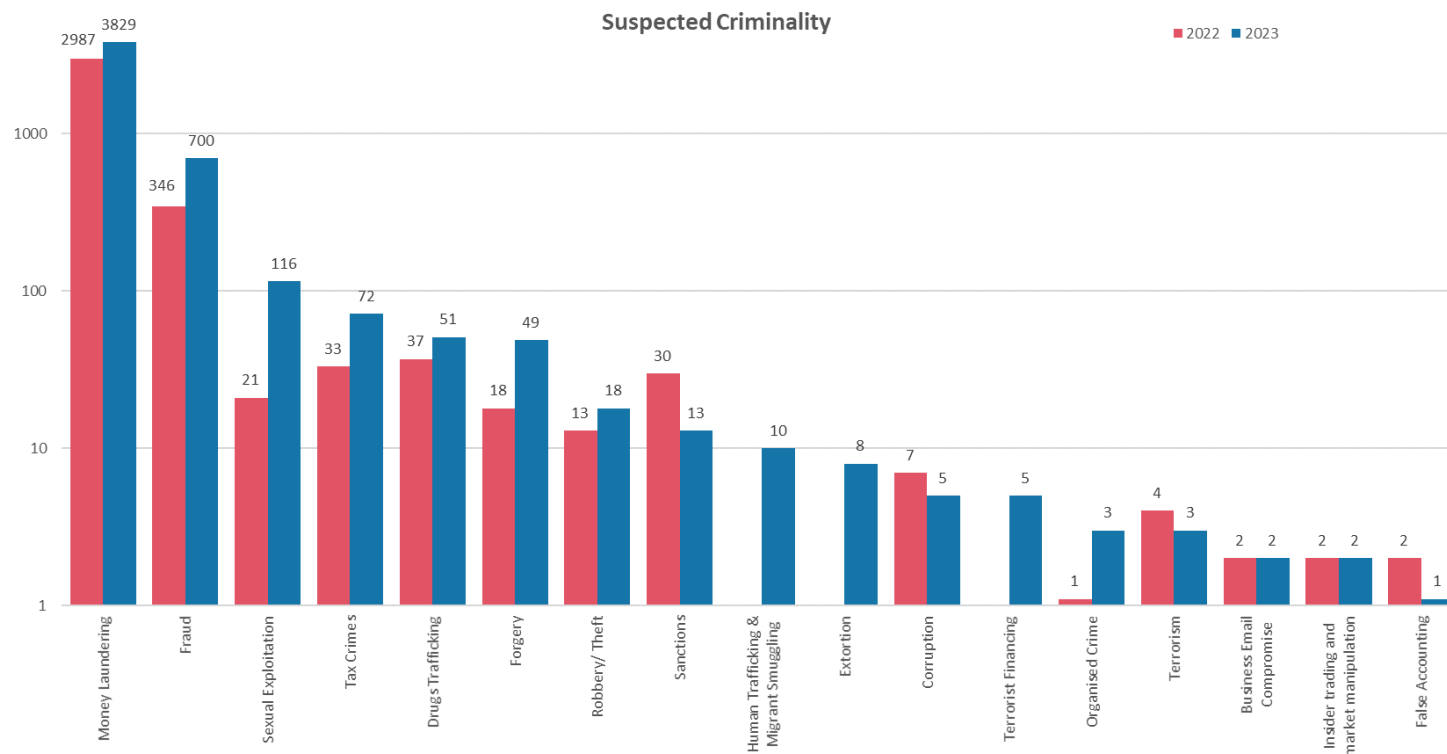
In 2023, SARS were received from 91 reporting entities across 16 sectors. These numbers were similar to those for 2022. During 2022 and 2023 115 reporting entities in total submitted SARs.



Suspected Criminality

As in previous years the suspected criminality selected by the reporter for the SAR did not always correlate with the suspected criminality which gave rise to the suspicion. During the assessment of SARs, the suspected criminality of a number of SARs were changed, primarily to Money Laundering.

Money laundering and fraud remain the top reported suspected criminality of SARs. A substantial number of Ponzi schemes related SARs were received from the DLT and banking sectors. Sexual exploitation reported by the DLT sector saw a significant increase with the suspicion of direct and indirect sending and receiving exposure to child abuse material in the darknet.



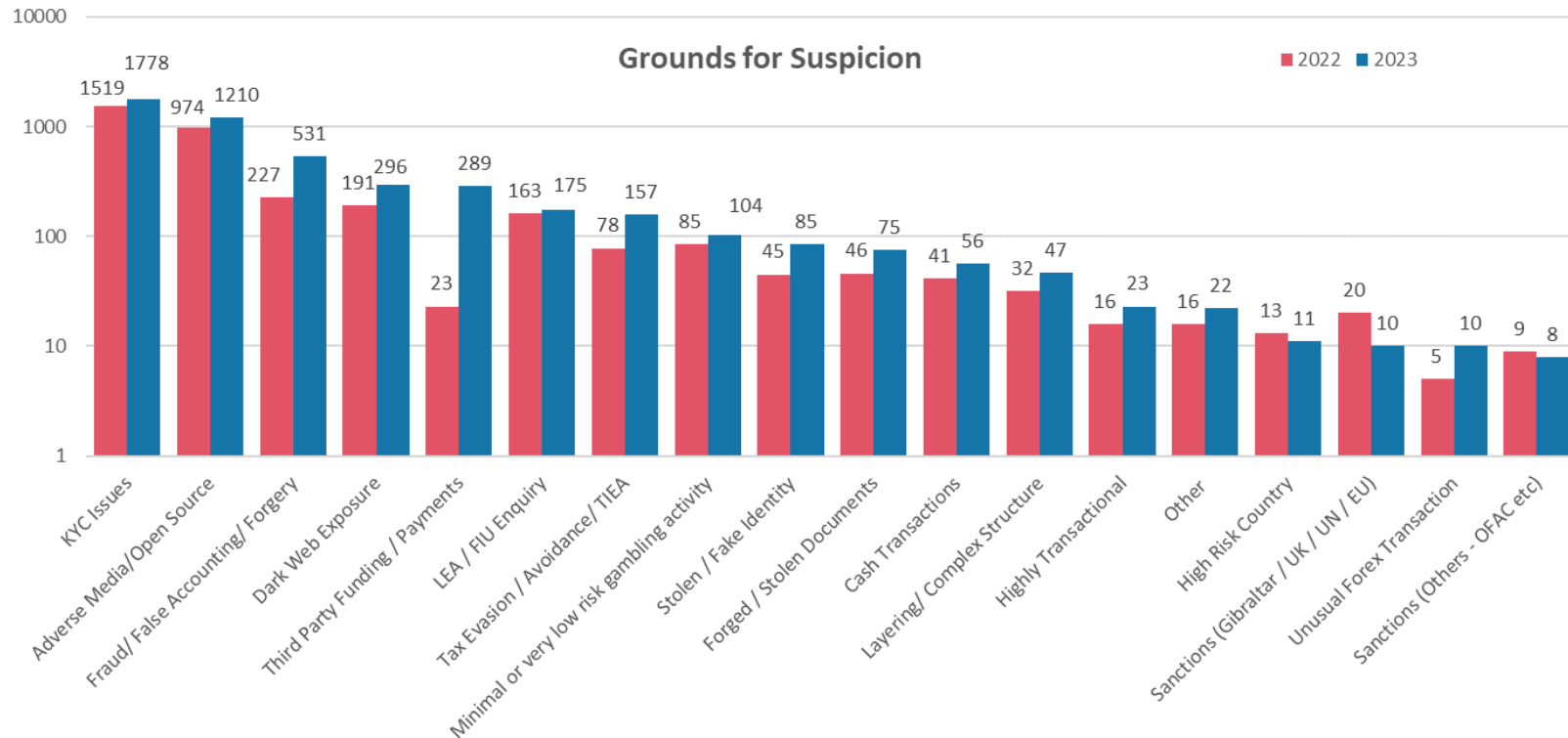
2023 Suspected Criminality vs Sector	Accountant, Auditor & Insolvency Practitioner	Bank	Bureau de Change	DLT Provider	E-Money	Gibraltar Government Department	Insurance	Investment/Fund Manager	Legal Professionals & Notaries	Money Value Transfer Services	Online/e-Gaming	Other	Pension	Real Estate and Letting Agents	Supervisory Body	TCSP's	Total
Business Email Compromise	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1	2
Corruption	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	3	5
Drugs Trafficking	-	2	-	47	-	-	-	-	-	-	-	-	-	-	-	2	51
Extortion	-	-	-	8	-	-	-	-	-	-	-	-	-	-	-	-	8
False Accounting	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Forgery	-	14	-	14	1	-	-	-	-	-	20	-	-	-	-	-	49
Fraud	5	157	-	309	74	-	-	3	1	-	143	-	1	-	-	7	700
Human Trafficking & Migrant Smuggling	-	5	-	-	-	-	-	-	-	-	-	-	-	1	1	3	10
Insider trading and market manipulation	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	1	2
Money Laundering	4	121	12	314	6	1	1	-	4	22	3314	1	1	4	7	17	3829
Organised Crime	-	1	-	1	-	-	-	-	-	-	1	-	-	-	-	-	3
Robbery/ Theft	1	6	-	1	-	-	-	-	-	-	10	-	-	-	-	-	18
Sanctions	-	4	-	3	-	-	-	-	2	-	2	-	-	-	1	1	13
Sexual Exploitation	-	-	-	115	-	-	-	-	-	-	-	-	-	-	-	1	116
Tax Crimes	1	22	-	1	1	-	-	-	-	-	40	-	-	-	-	7	72
Terrorism	-	-	-	1	1	-	-	-	-	-	1	-	-	-	-	-	3
Terrorist Financing	-	-	-	-	-	-	-	-	-	-	5	-	-	-	-	-	5
Total	11	335	12	815	83	1	2	3	7	22	3536	1	2	5	9	43	4887



Grounds for Suspicion

In 2023, the largest proportion of SARs, accounting for 36%, were submitted due to Know Your Customer (KYC) related issues, primarily concerning the failure to provide adequate KYC information and source of funds documentation. Additionally, 25% of SARs were submitted based on adverse media and open-source intelligence findings.

The DLT sector observed a surge in reports related to sexual exploitation, particularly concerning suspicions of direct and indirect involvement in transmitting, and receiving child abuse material via the darknet. Furthermore, the DLT sector reported a substantial number of SARs indicating suspected links to Ponzi schemes. Additionally, there was a significant increase in SARs, primarily from the gaming sector, based on suspicions of third-party funding of accounts.



2023 Grounds for Suspicion vs Sector	Adverse Media/Open Source	Cash Transactions	Dark Web Exposure	Forged / Stolen Documents	Fraud/ False Accounting/ Forgery	High Risk Country	Highly Transactional	KYC Issues	Layering/ Complex Structure	LEA / FIU Enquiry	Minimal or very low risk gambling activity	Other	Sanctions (Gibraltar / UK / UN / EU)	Sanctions (Others - OFAC etc)	Stolen / Fake Identity	Tax Evasion / Avoidance/ TIEA	Third Party Funding / Payments	Unusual Forex Transaction	Total
Accountant, Auditor & Insolvency Practitioner	2	-	-	-	4	-	1	2	-	-	-	-	-	-	-	2	-	-	11
Bank	27	15	-	19	129	1	5	54	11	8	-	5	3	1	26	14	15	2	335
Bureau de Change	4	1	-	-	-	-	-	4	-	-	-	-	-	-	-	-	-	3	12
DLT Provider	17	1	296	4	243	-	11	170	5	16	-	5	2	4	13	3	25	-	815
E-Money	-	-	-	1	78	-	-	1	-	1	-	-	-	-	-	1	1	-	83
Gibraltar Government Department	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Insurance	1	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	2
Investment/Fund Manager	1	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	3
Legal Professionals & Notaries	2	-	-	-	3	-	-	-	-	-	-	-	2	-	-	-	-	-	7
Money Value Transfer Services	-	-	-	-	-	8	4	2	-	-	-	-	-	-	-	-	3	5	22
Online/e-Gaming	1131	37	-	51	65	2	2	1529	31	149	104	9	1	3	46	131	245	-	3536
Other	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	1
Pension	-	-	-	-	-	-	-	1	-	-	-	1	-	-	-	-	-	-	2
Real Estate and Letting Agents	2	-	-	-	-	-	-	3	-	-	-	-	-	-	-	-	-	-	5
Supervisory Body	3	-	-	-	-	-	-	4	-	-	-	1	1	-	-	-	-	-	9
TCSP's	20	1	-	-	7	-	-	6	-	1	-	1	1	-	-	6	-	-	43
Total	1210	56	296	75	531	11	23	1778	47	175	104	22	10	8	85	157	289	10	4887



SARs with a Gibraltar nexus

In 2023, a total of 181 SARs were analysed as having a Gibraltar nexus, accounting for 3.7% of the total SARs received. Among these, the banking sector emerged as the top reporter, submitting 81 SARs, which constituted 45% of SARs with a Gibraltar nexus.

Sector	Business Email Compromise	Corruption	Drugs Trafficking	False Accounting	Forgery	Fraud	Human Trafficking & Migrant Smuggling	Insider trading and market manipulation	Money Laundering	Robbery/ Theft	Sanctions	Sexual Exploitation	Tax Crimes	Total
Accountant, Auditor & Insolvency Practitioner	-	-	-	-	-	5	-	-	2	1	-	-	1	9
Bank	1	1	2	1	1	19	4	-	35	-	2	-	15	81
Bureau de Change	-	-	-	-	-	-	-	-	12	-	-	-	-	12
DLT Provider	-	-	-	-	1	1	-	-	1	-	1	-	-	4
Gibraltar Government Department	-	-	-	-	-	-	-	-	1	-	-	-	-	1
Insurance	-	-	-	-	-	-	-	1	1	-	-	-	-	2
Investment/Fund Manager	-	-	-	-	-	2	-	-	-	-	-	-	-	2
Legal Professionals & Notaries	-	-	-	-	-	1	-	-	3	-	2	-	-	6
Money Value Transfer Services	-	-	-	-	-	-	-	-	18	-	-	-	-	18
Online/e-Gaming	-	-	-	-	-	1	-	-	4	-	-	-	-	5
Other	-	-	-	-	-	-	-	-	1	-	-	-	-	1
Pension	-	-	-	-	-	1	-	-	-	-	-	-	-	1
Real Estate and Letting Agents	-	-	-	-	-	-	1	-	4	-	-	-	-	5
Supervisory Body	-	-	-	-	-	-	1	-	7	-	1	-	-	9
TCSP's	1	1	-	-	-	5	2	1	9	-	-	1	5	25
Total	2	2	2	1	2	35	8	2	98	1	6	1	21	181



Defensive SARs

The data analysis undertaken aimed to assess whether there was a culture of defensive SARs being submitted to the GFIU. Defensive SARs is a well-known practice by entities that adopt an overly broad detection criteria to mitigate their own regulatory and reputational risk. In most cases, a defensive SAR is identified during analysis where an activity or a transaction is deemed not suspicious upon further analysis by the GFIU. Defensive submissions often result in a higher proportion of SAR disclosures that inaccurately flag legitimate activities as suspicious and water down the effectiveness of the SAR regime.

The outreach program delivered by the GFIU has resulted in a reduction in the number of defensive SARs with only 0.7% of SARs classified as defensive by GFIU in 2023. This is an incredible achievement when compared to 25% in 2019.

The number of defensive SARs by sector and suspected criminality for 2023 are listed in the table below.

2023 Sector vs Suspected Criminality	Drugs Trafficking	Fraud	Insider trading and market manipulation	Money Laundering	Tax Crimes	Total	% Defensive
Accountant, Auditor & Insolvency Practitioner	-	1	-	-	-	1	9.09%
Bank	1	1	-	1	1	4	1.19%
DLT Provider	-	1	-	5	-	6	0.74%
Insurance	-	-	-	1	-	1	50.00%
Online/e-Gaming	-	-	-	20	-	20	0.57%
TCSP's	-	-	1	1	-	2	4.65%
Total	1	3	1	28	1	34	0.70%

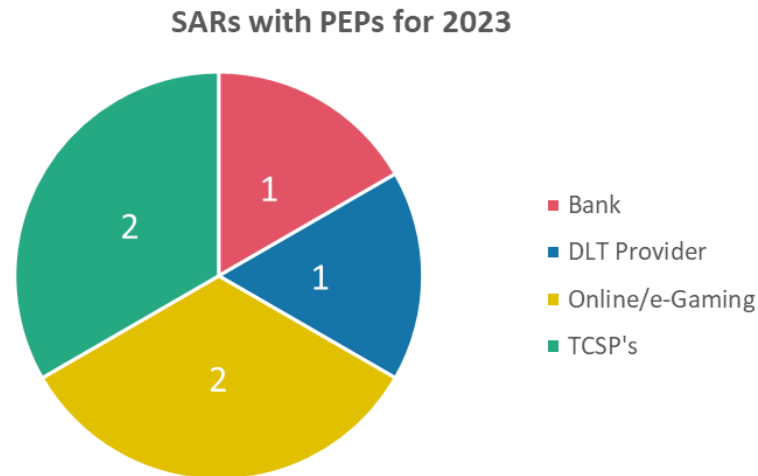


Politically Exposed Persons

When raising a SAR, MLROs report links or identification to Politically Exposed Persons (PEPs). A recent review was conducted on all historical SARs involving PEPs as subjects. During this review, it was identified that some individuals previously classified as PEPs were, in fact, better categorised as Media Exposed Persons (MEPs). As a result, these subjects have been appropriately reclassified as MEPs.

Only 6 SARs received in 2023 were reported as having a PEP as a subject.

The chart below shows the numbers of PEP connected SARs per sector submitted during 2023.



Consent Requests

The GFIU received 317 consent requests in 2023, which included consent requests for SARs reported in previous years. This represents an increase of 74% when compared to 2022.

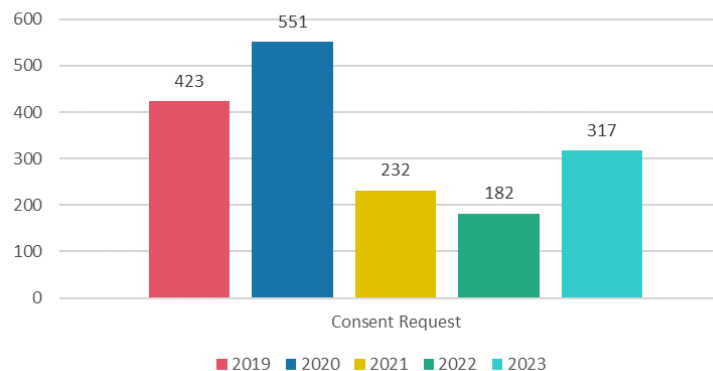
The consent requests were received from 10 reporting sectors. Most of the requests came from the gaming sector with 131 requests and the banking sector with 123 requests.

Out of the 335 Banking SARs received in 2023, 68 SARs had consent requests, representing 20% of the SARs reported by the sector. A number of these SARs had multiple consent requests.

68 consents requests received a ‘not applicable’ response. These related to requests which were not for a prohibited act under POCA or insufficient information was provided for the request to be considered despite the GFIU requesting for the necessary information to be provided.

13 consent requests were received to which a response was not required. This related to requests withdrawn, submitted in error or the GFIU allowing the requests to lapse which results in implied consent.

Number of Consent Requests



Sector	Consent Granted	Consent Not Applicable	Consent Refused	No Response Required	Total
Accountant, Auditor & Insolvency Practitioner	-	3	-	1	4
Bank	104	16	1	2	123
DLT Provider	17	22	-	-	39
E-Money	-	-	-	1	1
Insurance	-	1	-	-	1
Investment/Fund Manager	1	-	-	-	1
Legal Professionals & Notaries	-	1	-	-	1
Online/e-Gaming	107	15	-	9	131
Real Estate and Letting Agents	-	3	-	-	3
TCSP's	6	7	-	-	13
Total	235	68	1	13	317



In 2023, there were 241 SARs submitted with consent requests, out of which 40 SARs had multiple consent requests. The banking sector accounted for most SARs with multiple consent requests. One SAR from the banking sector alone had 15 consent requests.

The table below shows the number of SARs received in 2023 per sector and number of consent requests per SAR.

Sector	Number of consent requests per SAR					Total
	1	2	3	4	15	
Accountant, Auditor & Insolvency Practitioner	1	-	-	-	-	1
Bank	40	18	7	2	1	68
DLT Provider	34	2	-	-	-	36
E-Money	1	-	-	-	-	1
Insurance	1	-	-	-	-	1
Legal Professionals & Notaries	1	-	-	-	-	1
Online/e-Gaming	116	6	1	-	-	123
Real Estate and Letting Agents	3	-	-	-	-	3
TCSP's	4	3	-	-	-	7
Total	201	29	8	2	1	241



Outcomes

A large proportion of SARs were dual disclosed to the GFIU and a foreign FIU. While the majority of these SARs do not require additional action by the GFIU, processing and analysing each disclosure requires careful resource allocation and prioritisation to ensure effective and efficient utilization of the GFIU's resources.

The GFIU prioritises the analysis of SARs according to its prioritisation matrix which is aligned to the National Risk Assessment and other factors such as the suspected criminality or whether a consent request is received. At the time of publishing this report, several SARs were still undergoing analysis. Among these were cases where additional information had been requested or new intelligence had surfaced after the initial closure of the case.

Outcome of SARs received in 2023 as at 28 February 2024.

Sector	Disclosure of no value	Intelligence disseminated	No Action Taken / Dual Disclosed	No Action Taken / No Dissemination	Suspicion Negated	Under Review	Total
Accountant, Auditor & Insolvency Practitioner	-	3	-	3	-	5	11
Bank	-	70	2	174	-	89	335
Bureau de Change	-	3	-	8	-	1	12
DLT Provider	10	204	30	463	-	108	815
E-Money	-	3	68	10	-	2	83
Gibraltar Government Department	-	1	-	-	-	-	1
Insurance	-	-	-	2	-	-	2
Investment/Fund Manager	-	1	-	1	-	1	3
Legal Professionals & Notaries	-	4	-	1	-	2	7
Money Value Transfer Services	-	-	2	18	2	-	22
Online/e-Gaming	1	137	2,996	308	-	94	3,536
Other	-	-	-	1	-	-	1
Pension	-	1	-	1	-	-	2
Real Estate and Letting Agents	-	1	-	4	-	-	5
Supervisory Body	3	2	-	3	-	1	9
TCSP's	-	11	-	24	-	8	43
Total	14	441	3,098	1,021	2	311	4,887
Percentage	0.29%	9.02%	63.39%	20.89%	0.04%	6.36%	100.00%



Findings of the Feedback Provided to the Reporter

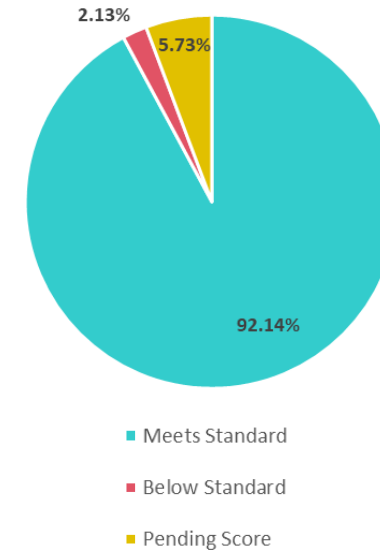
Quality feedback provided to the Reporter [Money Laundering Reporting Officer/ Nominated Officer] comprises ratings given for the following five criteria.

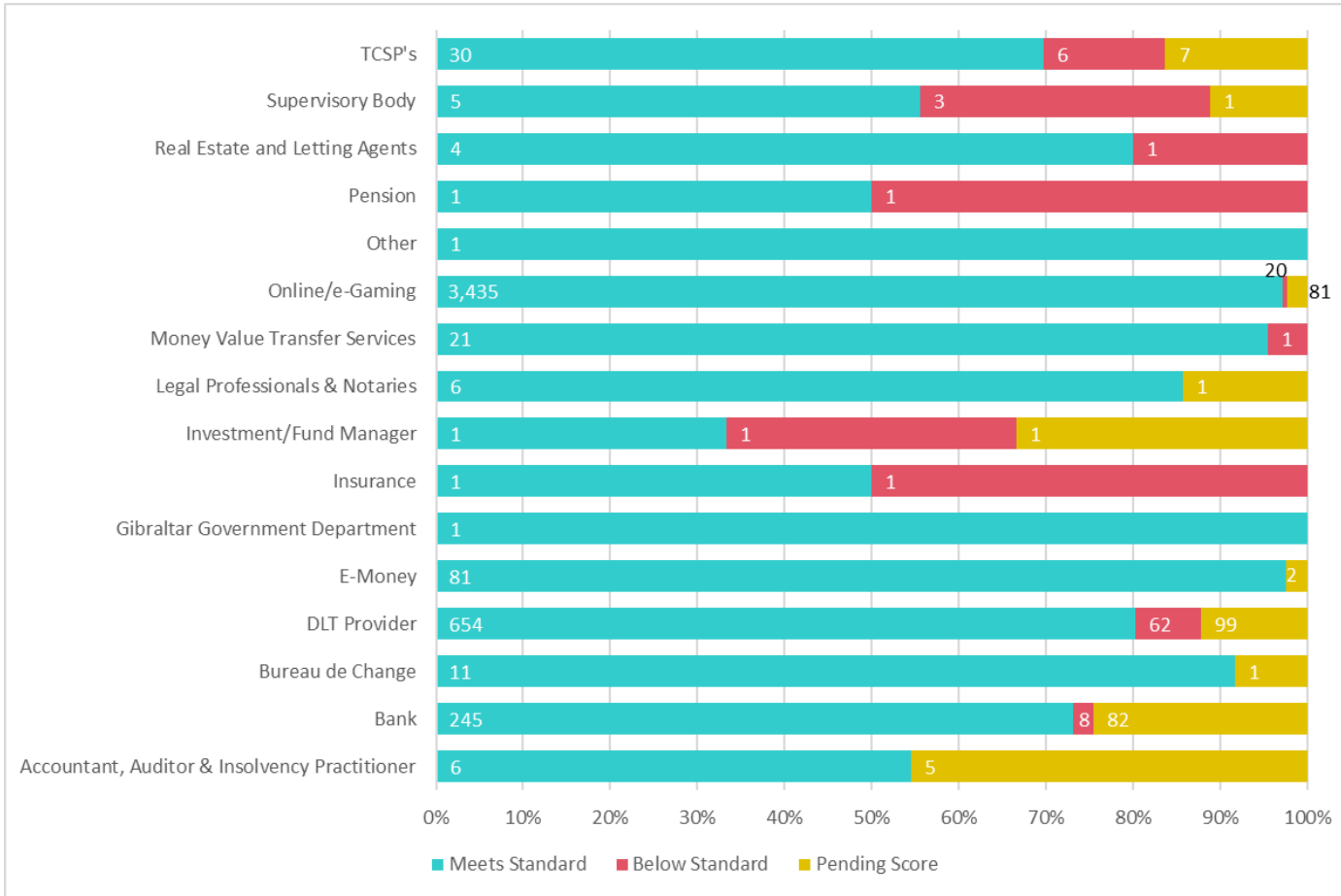
- Supporting documentation necessary for the GFIU must be submitted with the SAR for the effective analysis of the information disclosed.
- There must be a suspicion of a predicate offence, money laundering or terrorist financing within the information disclosed to GFIU.
- All background information contained in the SAR on the relationship with the reported subject must be described in sufficient detail.
- The content of the information must be clear and complete.
- When Consent has been requested, the information contained within the request must include the suspicion (within the narrative of the grounds for suspicion), the criminal property and the prohibited act.

The percentage of SARs deemed to meet the standard continues to remain high, which reflects the positive impact of the GFIU's outreach program in improving the quality of SARs.

9% of the SARs graded for the DLT sector were deemed to be below standard.

SARs graded below standard receive feedback on why the SAR was deemed to be below standard and how they could have been improved

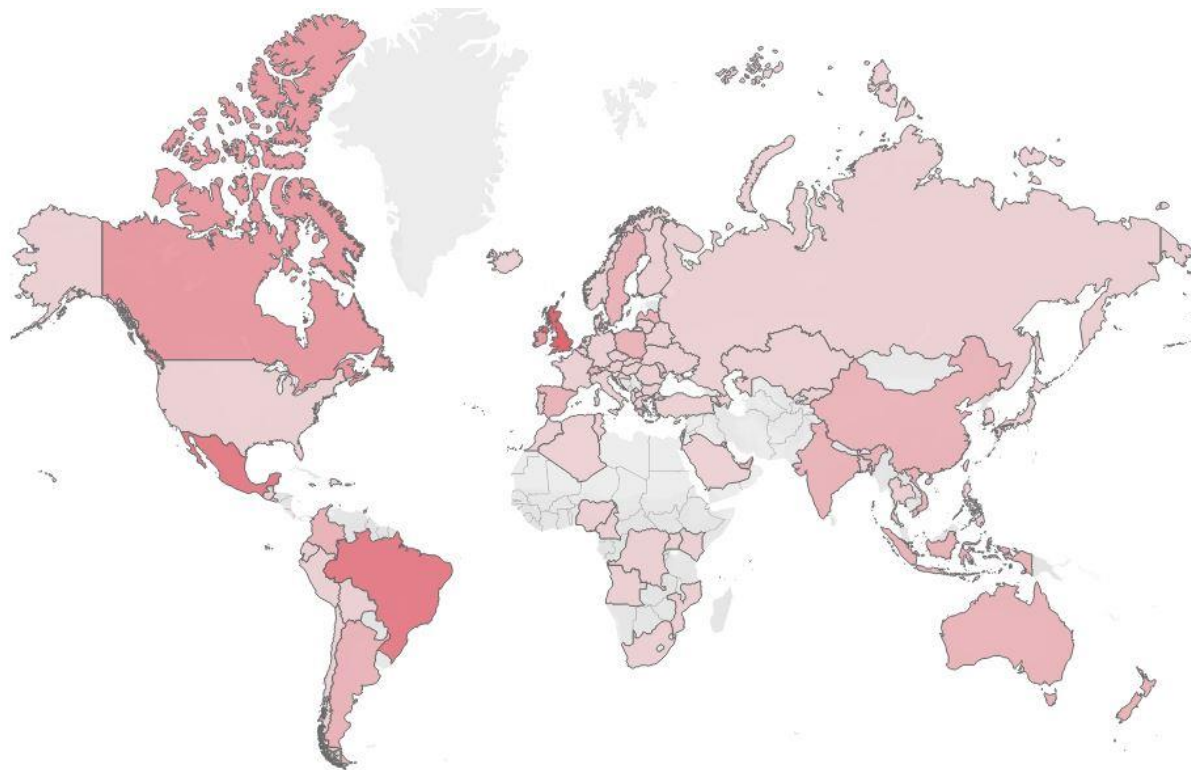




SARs Reported by Jurisdiction

In 2023, SARs received were linked to 91 jurisdictions. As seen in previous years, the majority of SARs (68%) were associated with a UK nexus. The gaming sector reported most of these, with suspected criminal activities primarily involving money laundering or fraud. There was a significant increase in SARs with a Mexican nexus, nearly all of which were reported by the DLT sector, with money laundering and fraud being the predominant suspected criminal activities. Additionally, SARs with a Brazilian nexus also saw a significant rise, mainly reported by the gaming sector, with money laundering being the primary suspected criminal activity.

The chart below shows a heat map of the SARs received in 2023 per jurisdiction where the grounds of suspicion apply



The following table shows the suspected criminality of SARs disclosed against the top ten jurisdictions where the crime was deemed to have occurred.

Jurisdiction	Business Email Compromise	Corruption	Drugs Trafficking	Extortion	False Accounting	Forgery	Fraud	Human Trafficking & Migrant Smuggling	Insider trading and market manipulation	Money Laundering	Organised Crime	Robbery/ Theft	Sanctions	Sexual Exploitation	Tax Crimes	Terrorism	Terrorist Financing	Total
United Kingdom	-	1	31	-	-	22	344	1	-	2856	1	17	3	2	31	2	4	3315
Mexico	-	-	1	-	-	1	174	1	-	196	-	-	2	64	1	-	-	440
Brazil	-	-	-	-	-	3	5	-	-	286	-	-	-	28	11	-	-	333
Gibraltar	2	2	2	-	1	2	35	8	2	98	-	1	6	1	21	-	-	181
Canada	-	-	1	-	-	1	8	-	-	86	-	-	-	-	1	-	-	97
Ireland	-	-	1	-	-	-	5	-	-	71	-	-	-	-	1	-	1	79
Argentina	-	-	-	-	-	-	11	-	-	22	-	-	-	7	-	-	-	40
Switzerland	-	-	1	-	-	2	4	-	-	25	-	-	-	4	2	-	-	38
Colombia	-	-	-	-	-	1	4	-	-	20	-	-	-	4	-	-	-	29
Poland	-	-	-	8	-	-	7	-	-	10	-	-	-	-	-	-	-	25
Total	2	3	37	8	1	32	597	10	2	3670	1	18	11	110	68	2	5	4577



The following table shows the suspected criminality of SARs disclosed against the top ten countries where the crime was deemed to have occurred, when SARs from the gaming sector are excluded.

Jurisdiction	Business Email Compromise	Corruption	Drugs Trafficking	Extortion	False Accounting	Forgery	Fraud	Human Trafficking & Migrant Smuggling	Insider trading and market manipulation	Money Laundering	Robbery/ Theft	Sanctions	Sexual Exploitation	Tax Crimes	Terrorism	Total
Mexico	-	-	1	-	-	1	174	1	-	196	-	2	64	1	-	440
United Kingdom	-	1	31	-	-	6	212	1	-	92	7	1	2	7	1	361
Gibraltar	2	2	2	-	1	2	34	8	2	94	1	6	1	21	-	176
Argentina	-	-	-	-	-	-	11	-	-	22	-	-	7	-	-	40
Brazil	-	-	-	-	-	-	2	-	-	10	-	-	28	-	-	40
Colombia	-	-	-	-	-	1	4	-	-	20	-	-	4	-	-	29
Poland	-	-	-	8	-	-	7	-	-	7	-	-	-	-	-	22
Australia	-	-	-	-	-	-	17	-	-	2	-	-	1	-	-	20
Switzerland	-	-	1	-	-	2	4	-	-	2	-	-	4	-	-	13
Indonesia	-	-	-	-	-	1	7	-	-	4	-	-	-	-	-	12
Total	2	3	35	8	1	13	472	10	2	449	8	9	111	29	1	1153



The following table shows the reporting sector of SARs disclosed against the top ten jurisdictions where the crime was deemed to have occurred.

Jurisdiction	Accountant, Auditor & Insolvency Practitioner	Bank	Bureau de Change	DLT Provider	E-Money	Gibraltar Government Department	Insurance	Investment/Fund Manager	Legal Professionals & Notaries	Money Value Transfer Services	Online/e-Gaming	Other	Pension	Real Estate and Letting Agents	Supervisory Body	TCSP's	Total
United Kingdom	-	125	-	147	83	-	-	-	1	1	2954	-	-	-	-	4	3315
Mexico	-	1	-	439	-	-	-	-	-	-	-	-	-	-	-	-	440
Brazil	-	1	-	39	-	-	-	-	-	-	293	-	-	-	-	-	333
Gibraltar	9	81	12	4	-	1	2	2	6	18	5	1	1	5	9	25	181
Canada	-	3	-	2	-	-	-	-	-	-	92	-	-	-	-	-	97
Ireland	-	-	-	6	-	-	-	-	-	-	73	-	-	-	-	-	79
Argentina	-	5	-	35	-	-	-	-	-	-	-	-	-	-	-	-	40
Switzerland	-	1	-	12	-	-	-	-	-	-	25	-	-	-	-	-	38
Colombia	-	25	-	4	-	-	-	-	-	-	-	-	-	-	-	-	29
Poland	-	4	-	17	-	-	-	-	-	-	3	-	-	-	-	1	25
Total	9	246	12	705	83	1	2	2	7	19	3445	1	1	5	9	30	4577



High Risk and Increased Monitoring rated Jurisdictions

The Financial Action Task Force (“FATF”) identify jurisdictions with weak measures to combat money laundering and terrorist financing and issue these in public documents. The aim behind this process is to publicly list countries with weak AML/CFT regimes, with the aim to encourage the listed countries to make necessary reforms to their AML/CFT systems and redress weaknesses. These lists also provide useful information to stakeholders when risk assessing clients and transactions.

Note that the jurisdictions in the table below are as per the FATF lists published on 23 February 2024. Other jurisdictions are on the lists but are not mentioned in reports received by the GIU, therefore they have been excluded from the report.

FATF high risk and increased monitoring rated jurisdictions	No. of SARs
Bulgaria	4
Congo, The Democratic Republic of the	1
Croatia	1
Jamaica	1
Mozambique	1
Nigeria	5
Philippines	3
South Africa	4
Turkiye	6
Vietnam	2
No. of SARs with a link to a FATF high risk and increased monitoring rated jurisdictions	28
Total number of SARs	4887
% of SARs reported with link to a FATF high risk and increased monitoring rated jurisdictions	0.57%



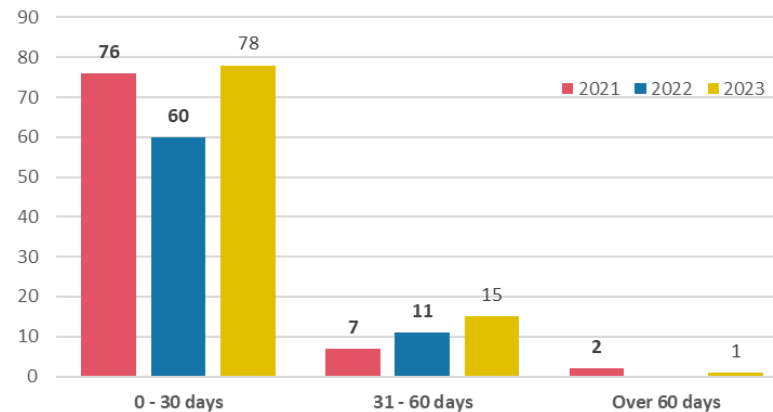
Egmont Requests and Spontaneous Intelligence

Egmont requests are requests from foreign FIUs for intelligence held by the GFIU, external databases and third parties. These exchanges of information are conducted via the Egmont Secure Web. All requests are recorded in Themis, which allows linking of subjects either contained in GFIU data or Mutual Legal Assistance requests.

The Egmont Group of Financial Intelligence Units has outlined suggested response times for requests received by FIUs, emphasizing the importance of timely replies, whether affirmative or negative. While acknowledging that response times may vary depending on the nature of the requests, Egmont typically recommends that responses be provided within one month, if feasible. It's recognized that additional time may be necessary when querying external databases or involving third parties.

Despite the fact that all requests received by the GFIU require queries to external databases or third parties, an impressive 83% of Egmont requests were addressed within the suggested 30-day timeframe. Factors such as GFIU conducting in-depth analysis of request, that may require further action; requests warranting discussion with LEAs or other competent authorities; or the need for clarification from foreign FIUs on certain requests, need to be taken into account. These considerations together with risk assessments on information exchanges, highlight the complexity and thoroughness involved in processing foreign requests effectively.

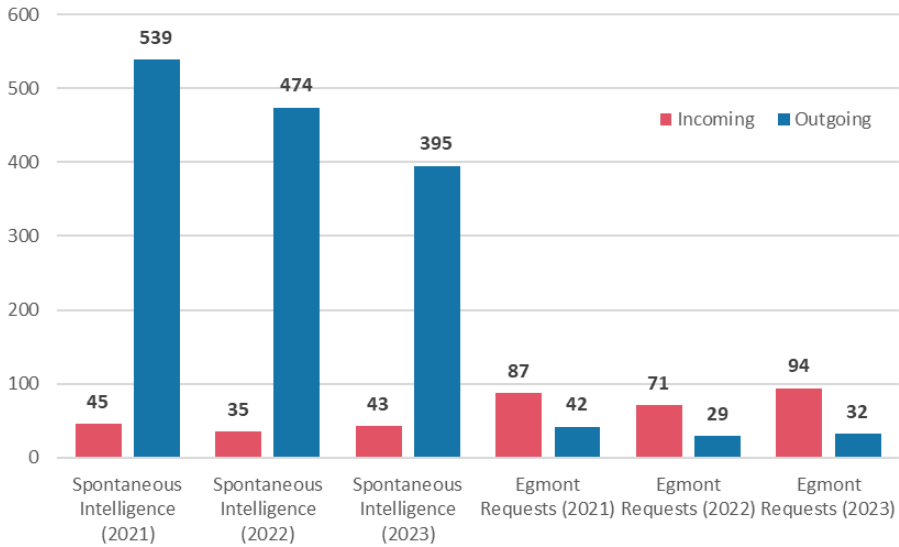
The chart bellows shows the timeframe for the GFIU to respond to Egmont Requests.



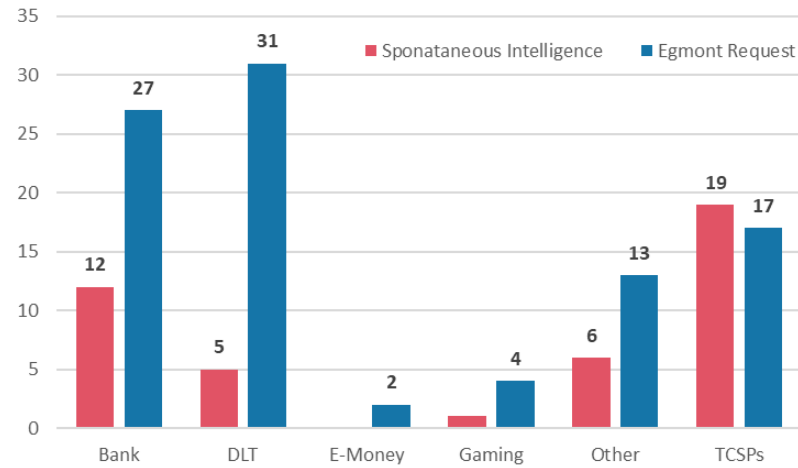
The number of incoming Egmont Requests for 2023 saw an increase of 31% when compared to 2022. The majority of Egmont requests related to the DLT, Banking and TCSP sectors. The number of outgoing Egmont requests was similar for 2022 and 2023. However, the number of outgoing Egmont requests remained similar between 2022 and 2023.

The number of outgoing spontaneous intelligence for 2023 saw a 17% decrease when compared to 2022.

Egmont Requests and Spontaneous Intelligence 2021-2023



2023 Incoming Egmont Requests and Spontaneous Intelligence by Sector

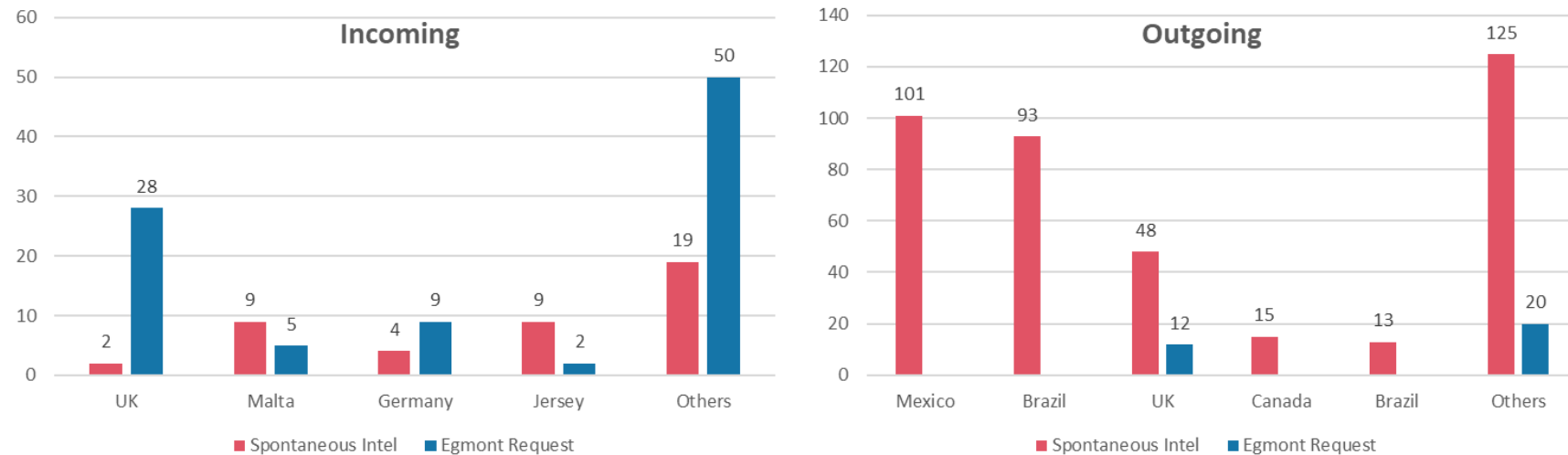


94 Egmont requests were received from 28 jurisdictions. 32 Egmont requests were disseminated to 15 jurisdictions.

43 spontaneous Intelligence reports were received from 13 jurisdictions. 395 spontaneous intelligence reports were disseminated to 41 jurisdictions. Spontaneous intelligence reports disseminated in 2023 related to SARs received in 2023 and in previous years. Spontaneous intelligence reports for SARs received in 2023 have also been disseminated in 2024, and do not form part of the statistics in this report.

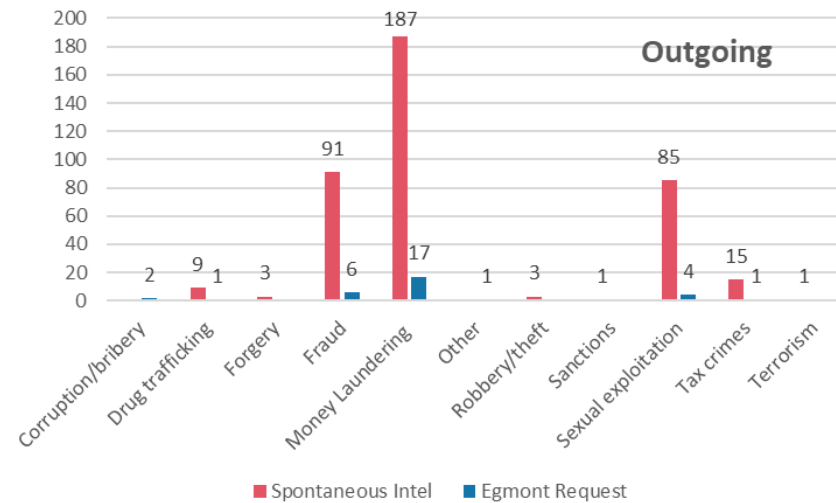
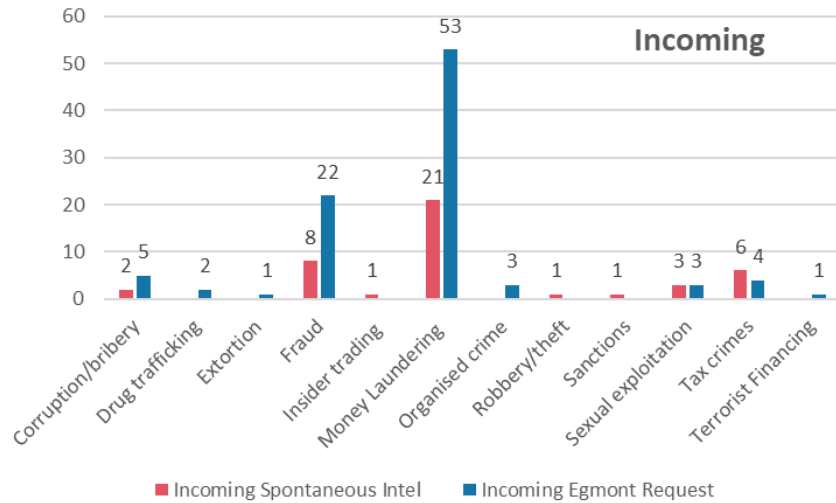
The UK emerged as the top jurisdiction for both incoming Egmont requests, totalling 28, and outgoing Egmont requests, numbering 12. Similarly, the top jurisdictions for outgoing spontaneous intelligence were Mexico and Brazil, aligning with their presence among the top three jurisdictions reported in SARs. While SARs with a UK nexus are the most commonly reported, it's worthy to point out that a substantial number of these are also dual-reported to UK authorities.

The tables below show the top jurisdictions for incoming and outgoing Egmont requests and spontaneous intelligence.



Money laundering, followed by fraud, continue to be the primary suspected criminal activities for both incoming and outgoing Egmont requests and spontaneous intelligence. Interestingly, there has been a significant increase in outgoing spontaneous intelligence related to suspected criminality of sexual exploitation. These instances stem from SARs reported by the DLT sector, indicating suspicion of direct and indirect involvement in the transmission and receipt of child abuse material within the darknet.

The tables below show the top suspected criminality for incoming and outgoing Egmont requests and spontaneous intelligence for 2023.



Intelligence Reports Disseminated to Local Law Enforcement Agencies & Supervisory Bodies

Intelligence Reports are disseminated to Law Enforcement Agencies and Supervisory Bodies when deemed relevant by the GFIU. These reports are generated from various sources of intelligence received by the GFIU.

The following Intelligence Reports were disseminated during 2023.

LEA/Authority	Drug trafficking	Forgery	Fraud	Human trafficking	Money Laundering	Organised crime	Sanctions	Sexual exploitation	Tax crimes	Terrorism	Terrorist Financing	Other	Total
Sanctions Competent Authority	-	-	-	-	-	-	1	-	-	-	-	-	1
Gaming Division	-	-	1	-	4	-	-	-	-	-	-	1	6
Gibraltar Financial Services Commission	-	-	3	-	8	-	-	-	-	-	-	-	11
Government Law Office	-	-	-	-	2	-	-	-	-	-	-	-	2
HM Customs	2	-	-	-	6	-	-	-	2	-	-	-	10
Joint Financial Intelligence Tasking Group	-	-	-	-	9	1	-	-	-	-	-	-	10
Legal Services Regulatory Authority	-	-	1	-	2	-	-	-	-	-	-	-	3
Ministry of Finance	-	-	2	-	-	-	-	-	-	-	-	-	2
Office of Fair Trading	-	-	2	-	1	-	-	-	-	-	-	1	4
RGP (Economic Crime Unit)	1	1	21	1	36	1	4	1	2	-	1	-	69
RGP (Safeguarding Unit)	-	-	-	-	-	-	-	3	-	-	-	-	3
RGP (Special Branch)	-	-	2	-	1	-	-	-	-	3	1	-	7
Tax Authority	-	-	1	-	1	-	-	-	2	-	-	-	4
Total	3	1	33	1	70	2	5	4	6	3	2	2	132





Gaming

A subject was using his gaming account to launder the proceeds of crime. The subject had deposited over £60k and withdrawn £56k within a six-month period.

A pattern was detected in which the subject would deposit funds into the account using payment method A, then proceed to place bets for the entire deposit amount. Subsequently, the subject would void the bets for the full value of the stakes before withdrawing the entire amount using payment method B.



Crypto

A subject had sent US\$34 worth of BTC directly to a cluster classified by a blockchain monitoring tool as associated with Child Sexual Abuse material. According to open-source intelligence (OSINT), the subscription fee for the related site is 0.00171398 BTC, equivalent to US\$33, and the subject transferred US\$34, which closely matches the subscription fee. These circumstances raise reasonable suspicions that the transfer constitutes payment for the subscription fee. Additionally, OSINT indicates that the related child abuse material website is hosted on an Onion URL, and the content severity level is categorised as Category B.



TCSP

A company, had been operational for two years, and claimed to be engaged in online marketing, advertisements, and social media account management for clients. However, since its formation, the company has operated without a bank account, conducting all transactions in cash. A review of the company's cash register for the past year revealed deposits exceeding US\$1 million, primarily consisting of cash deposits averaging around US\$15k. Given the nature of the business activity, which would typically involve a significant online presence and the relatively large amounts of the invoices, it seems implausible that all clients would pay substantial sums in cash. The suspicion is that the company is being used for money laundering.





Crypto

A subject attempted to open an account using suspected stolen documents and deepfake technology.

The subject initially provided several authentic documents during the onboarding process. However, during the verification process, the subject attempted to bypass the 'liveness check' using suspected deepfake technology, which ultimately failed. Subsequent attempts to reach the subject were unsuccessful. Additionally, the IP addresses associated with the onboarding process did not match the jurisdiction indicated in the provided documents.



Bank

A victim saw an investment advertisement on social media and proceeded to register his personal details. The victim was then contacted via WhatsApp about investment opportunities. The victim made various deposits totalling £45k but was then unable to withdraw funds. The victim was requested to deposit additional funds in order to withdraw the funds already deposited, at which point the victim realised they had been the subject of a scam.



TCSP

A company forms part of a multinational group in the IT security and consulting industry. Whilst reviewing the accounts for 2022/2023, 15 invoices for a total value of circa USD1.5m were identified with no supporting documentation.

It was identified that the work charged on the invoice had been undertaken by employees at the company's sister company in jurisdiction A, but invoiced for by the company in jurisdiction B.

The suspicion is of false accounting and tax evasion.





Bank

An account had been accessed following the death of the account holder. The account holder had passed away in early 2021, and unusual transactions were recorded debiting the account after the date of death but before the bank was notified in mid-2023. Between the date of death and the notification date, more than 70 transactions totalling just under £18k were identified through point-of-sale and ATM withdrawals.



Crypto

A subject is an entrepreneur associated with Company Y, stating an approximate monthly income of US\$5k. Open-source intelligence (OSINT) revealed several articles indicating that Company Y operates a Ponzi scheme and that the individual is actively recruiting for the scheme.

Analysis conducted using a blockchain monitoring tool revealed that the subject had indirect receiving exposure totalling over US\$250k from Company Y, which is greater than the direct sending exposure of US\$40k by the subject. This suggests that the subject may be involved as a recruiter for a Ponzi scheme associated to Company Y.



Gaming

A subject consistently deposited funds into the subject's gaming account which exceeded the subject's declared monthly income. Despite stating a monthly income of £2k from working at a care agency, the subject was depositing over £3k each calendar month.

The subject's bank statements revealed regular deposits from various third parties into the subject's bank account. The combination of the subject's access to vulnerable adults, deposits exceeding the declared income, and numerous third-party transactions into the bank account, raised suspicions of financial abuse and money laundering.



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