

QUARTERLY STATISTICS REPORT

A breakdown of Suspicious Activity Reports:

Q4 - 2023

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Introduction

This report presents the recorded data of Suspicious Activity Reports (SARs) received by the Gibraltar Financial Intelligence Unit (GFIU) for the fourth quarter of 2023. Reporting of suspicious activity is a cornerstone of the international Anti-Money Laundering and Combatting the Financing of Terrorism (AML/CFT) framework. As the central agency for the receipt of disclosures filed by reporting entities, the GFIU not only receives information as required by Gibraltar's legislative framework, but also as required by the Financial Action Task Force (FATF) Recommendation 20 and 23.

The information reported to the GFIU will also help us better understand suspected criminal activity, the evolving threats, and modus operandi, enabling us to most effectively work with partners to mitigate the risk to our financial reputation.

METHODOLOGY

The GFIU publishes a series of quarterly reports regarding the SARs received by the GFIU. The main objective of this report is to provide an overview of the trends related to money laundering, terrorist financing and proliferation financing. The statistics are based on data collected by the GFIU from its online reporting portal, THEMIS. Data is dependent on the current reports being processed. For example, the outcome of each SAR may vary when compared to other reports that GFIU publishes as further information may have been requested. However, the differences will be minor.

Note: A Suspicious Activity Report is a report submitted to the GFIU, with information related to money laundering, terrorist financing and proliferation financing. Also known as, a 'disclosure', it can refer to any information acquired by the Reporter in the course of business deemed suspicious and of potential interest to Law Enforcement Agencies. Another recognised form of referring to a SAR is 'STR' (Suspicious Transaction Report) but GFIU will refer to it as a SAR throughout this document. Throughout this document, the term 'disclosure' and 'SAR' are used interchangeably but both have the same meaning.

Additional resources are available at www.gfiu.gov.gi.

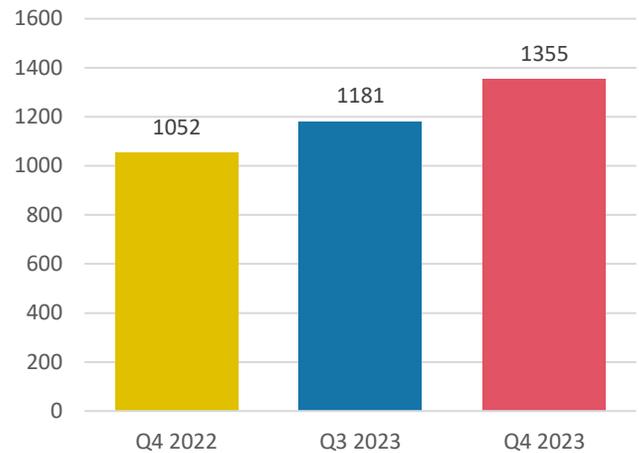
Key Statistics

1,355 SARs were received in Q4 2023. This represents a 29% increase compared to Q4 2022 (1,052) and 15% increase compared to Q3 2023 (1,181).

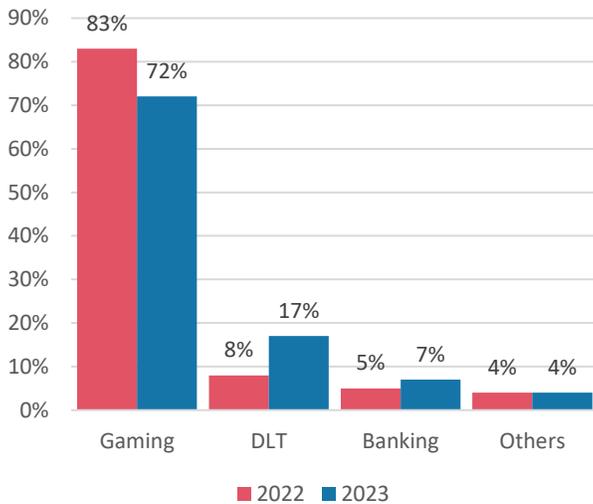
There was a 40% increase in the number of SARs received in 2023 (4,887) compared to 2022 (3,503).

The increase in SARS is mainly as a result of significant increases in the number of SARs received from the Gaming, DLT and banking sectors.

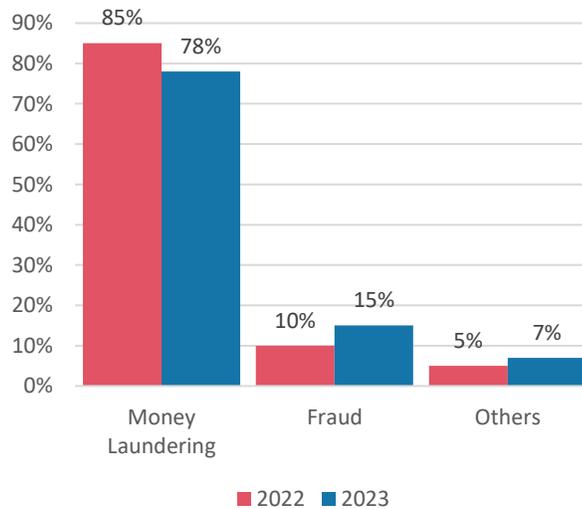
No. of SARs



Reporting Sectors



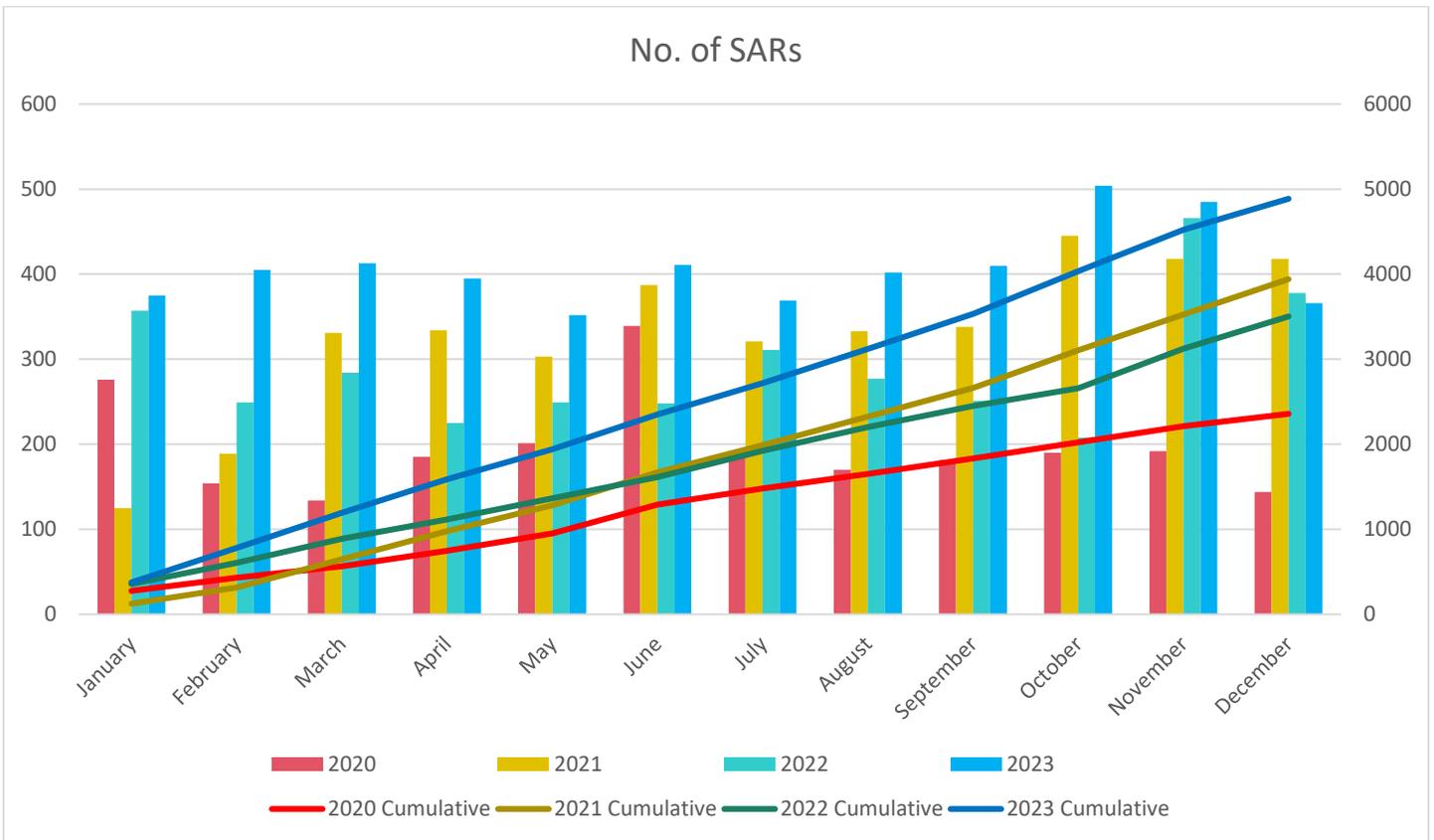
Principal Suspected Criminality



The two main reporting sectors for Q4 2023 remain the Gaming and DLT sectors.

As in previous years, Money Laundering and Fraud remain the principal suspected criminality reported. The principal grounds for suspicion continue to be adverse open source and adverse, inadequate or failure to provide due diligence. .

Number of Monthly SARs



| Month | 2020 | | 2021 | | 2022 | | 2023 | |
|-----------|--------|------------|--------|------------|--------|------------|--------|------------|
| | Number | Cumulative | Number | Cumulative | Number | Cumulative | Number | Cumulative |
| January | 276 | 276 | 125 | 125 | 357 | 357 | 375 | 375 |
| February | 154 | 430 | 189 | 314 | 249 | 606 | 405 | 780 |
| March | 134 | 564 | 331 | 645 | 284 | 890 | 413 | 1193 |
| April | 185 | 749 | 334 | 979 | 225 | 1115 | 395 | 1588 |
| May | 201 | 950 | 303 | 1282 | 249 | 1364 | 352 | 1940 |
| June | 339 | 1289 | 387 | 1669 | 248 | 1612 | 411 | 2351 |
| July | 192 | 1481 | 321 | 1990 | 311 | 1923 | 369 | 2720 |
| August | 170 | 1651 | 333 | 2323 | 277 | 2200 | 402 | 3122 |
| September | 181 | 1832 | 338 | 2661 | 251 | 2451 | 410 | 3532 |
| October | 190 | 2022 | 445 | 3106 | 208 | 2659 | 504 | 4036 |
| November | 192 | 2214 | 418 | 3524 | 466 | 3125 | 485 | 4521 |
| December | 144 | 2358 | 418 | 3942 | 378 | 3503 | 366 | 4887 |

Findings by Reporting Sector

The following data shows the SARs submitted by reporting sectors. Gaming remains the top reporting sector with 66% of SARs submitted in Q4 2023.

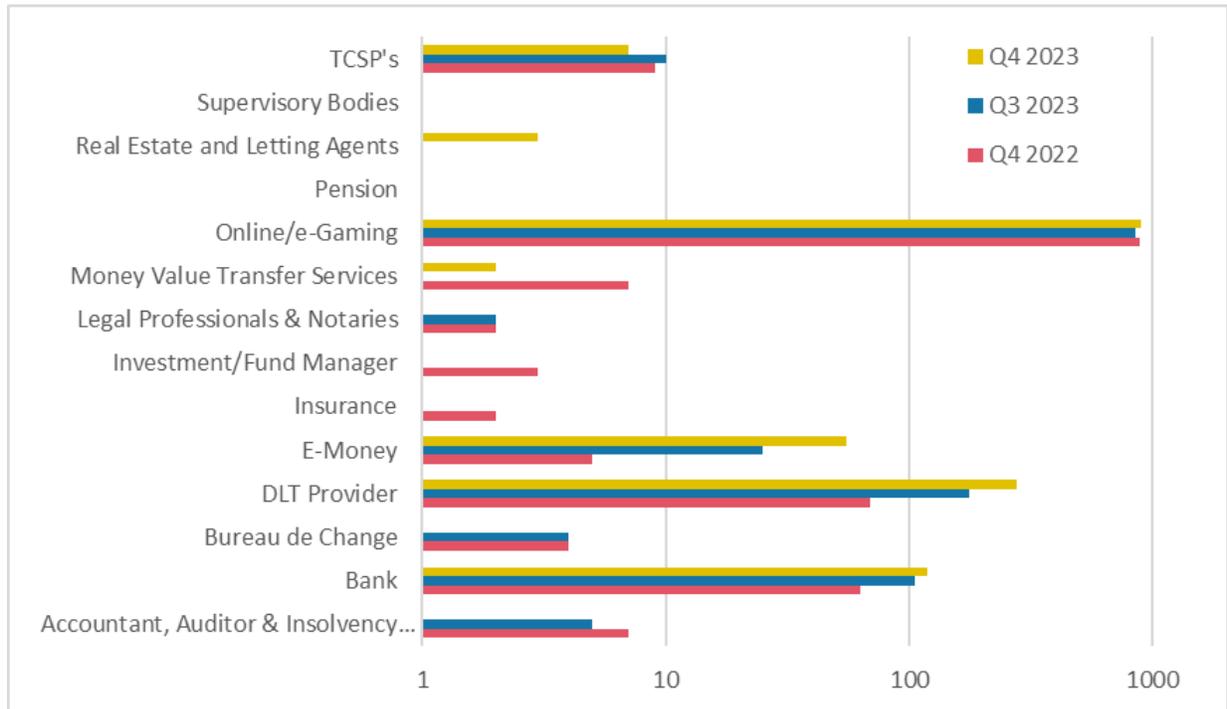
Although the percentage of SARs received from the gaming sector in Q4 is down, the number of SARs from this sector has remained along similar numbers throughout the four quarters of 2023.

47 reporting entities submitted SARs during Q4 2023.

The table below shows the number of reporting entities for each reporting sector which submitted a SAR in 2021, 2022 and 2023.

| Sector | 2021 | 2022 | 2023 |
|---|-----------|-----------|-----------|
| Accountant, Auditor & Insolvency Practitioner | 3 | 6 | 9 |
| Bank | 8 | 10 | 10 |
| Bureau de Change | 1 | 3 | 3 |
| DLT Provider | 6 | 12 | 11 |
| E-Money | 3 | 1 | 1 |
| Gibraltar Government Department | 0 | 0 | 1 |
| Insurance | 1 | 3 | 2 |
| Investment/Fund Manager | 5 | 3 | 3 |
| Legal Professionals & Notaries | 6 | 7 | 3 |
| Money Value Transfer Services | 0 | 1 | 1 |
| Online/e-Gaming | 17 | 18 | 21 |
| Other | 0 | 0 | 1 |
| Pension | 1 | 1 | 1 |
| Real Estate and Letting Agents | 3 | 3 | 3 |
| TCSP's | 11 | 17 | 20 |
| Total | 65 | 85 | 90 |

The graph and table below shows a comparison between Q4 for 2022 and Q3 and Q4 for 2023.



| Sector | Q4 2022 | | Q3 2023 | | Q4 2023 | |
|---|-------------|----------------|-------------|----------------|-------------|----------------|
| | SARs | % | SARs | % | SARs | % |
| Accountant, Auditor & Insolvency Practitioner | 7 | 0.67% | 5 | 0.42% | 1 | 0.07% |
| Bank | 63 | 5.99% | 105 | 8.89% | 118 | 8.71% |
| Bureau de Change | 4 | 0.38% | 4 | 0.34% | 0 | 0.00% |
| DLT Provider | 69 | 6.56% | 177 | 14.99% | 276 | 20.37% |
| E-Money | 5 | 0.48% | 25 | 2.12% | 55 | 4.06% |
| Insurance | 2 | 0.19% | 1 | 0.08% | 0 | 0.00% |
| Investment/Fund Manager | 3 | 0.29% | 0 | 0.00% | 1 | 0.07% |
| Legal Professionals & Notaries | 2 | 0.19% | 2 | 0.17% | 1 | 0.07% |
| Money Value Transfer Services | 7 | 0.67% | 0 | 0.00% | 2 | 0.15% |
| Online/e-Gaming | 879 | 83.56% | 850 | 71.97% | 891 | 65.76% |
| Pension | 1 | 0.10% | 0 | 0.00% | 0 | 0.00% |
| Real Estate and Letting Agents | 1 | 0.10% | 1 | 0.08% | 3 | 0.22% |
| Supervisory Bodies | 0 | 0.00% | 1 | 0.08% | 0 | 0.00% |
| TCSP's | 9 | 0.86% | 10 | 0.85% | 7 | 0.52% |
| Total | 1052 | 100.00% | 1181 | 100.00% | 1355 | 100.00% |

Criminality vs Sector

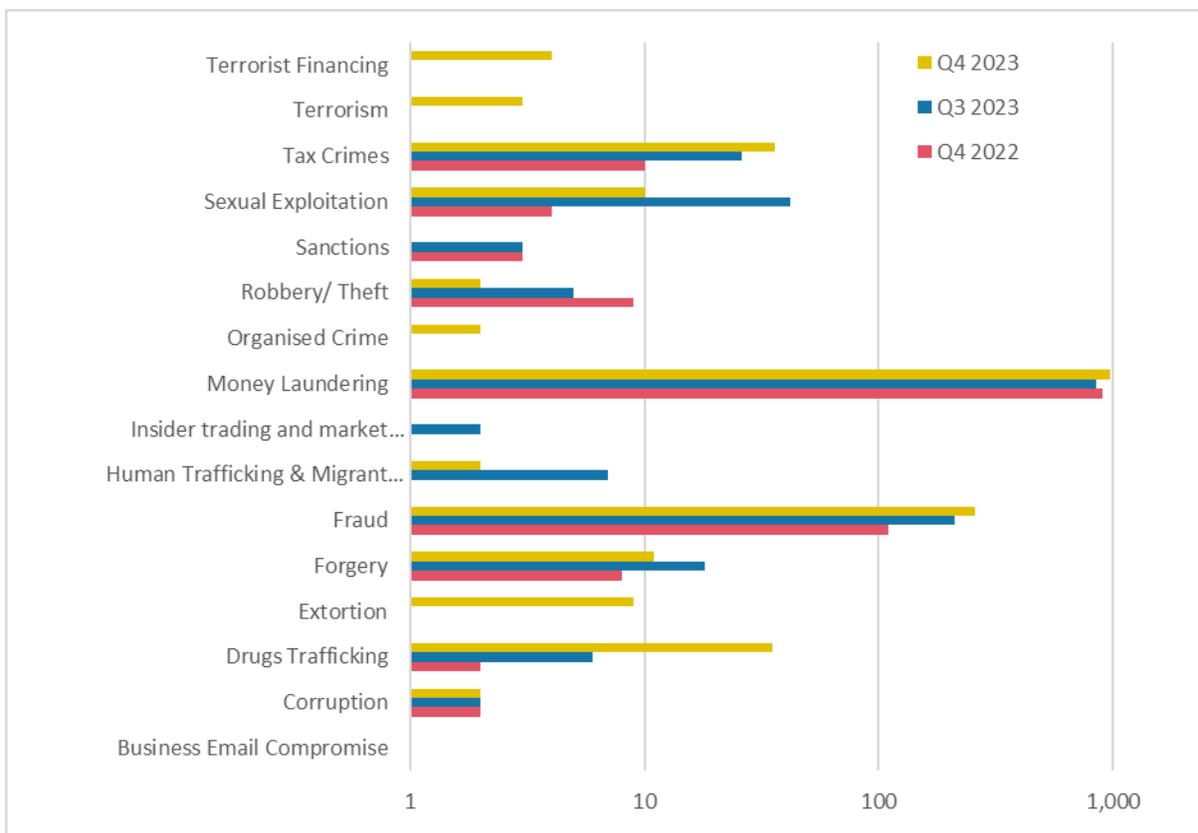
The table below shows the criminality reported by different reporting sectors in Q4 2023.

| Suspected Criminality | Accountant, Auditor & Insolvency Practitioner | Bank | DLT Provider | E-Money | Investment/Fund Manager | Legal Professionals & Notaries | Money Value Transfer Services | Online/e-Gaming | Real Estate and Letting Agents | TCSP's | Total |
|---------------------------------------|---|------------|--------------|-----------|-------------------------|--------------------------------|-------------------------------|-----------------|--------------------------------|----------|--------------|
| Corruption | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 2 |
| Drugs Trafficking | 0 | 0 | 34 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 35 |
| Extortion | 0 | 0 | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9 |
| Forgery | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 7 | 0 | 0 | 11 |
| Fraud | 0 | 50 | 129 | 51 | 1 | 1 | 0 | 25 | 0 | 1 | 258 |
| Human Trafficking & Migrant Smuggling | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 2 |
| Money Laundering | 1 | 54 | 89 | 3 | 0 | 0 | 2 | 825 | 3 | 3 | 980 |
| Organised Crime | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 2 |
| Robbery/ Theft | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 2 |
| Sanctions | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Sexual Exploitation | 0 | 0 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 |
| Tax Crimes | 0 | 9 | 1 | 0 | 0 | 0 | 0 | 26 | 0 | 0 | 36 |
| Terrorism | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 | 0 | 0 | 3 |
| Terrorist Financing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 0 | 0 | 4 |
| Total | 1 | 118 | 276 | 55 | 1 | 1 | 2 | 891 | 3 | 7 | 1,355 |

Findings by Suspected Criminality

Themis works on a 'principal crime system', which means that in cases which contain more than one type of offence, it will record the principal suspected criminality. As this is a subjective assessment, there may be inconsistencies between MLROs. Significantly, Money Laundering was the most reported suspected criminality in Q4 of 2023, and therefore continues the trend with the previous quarters, and years.

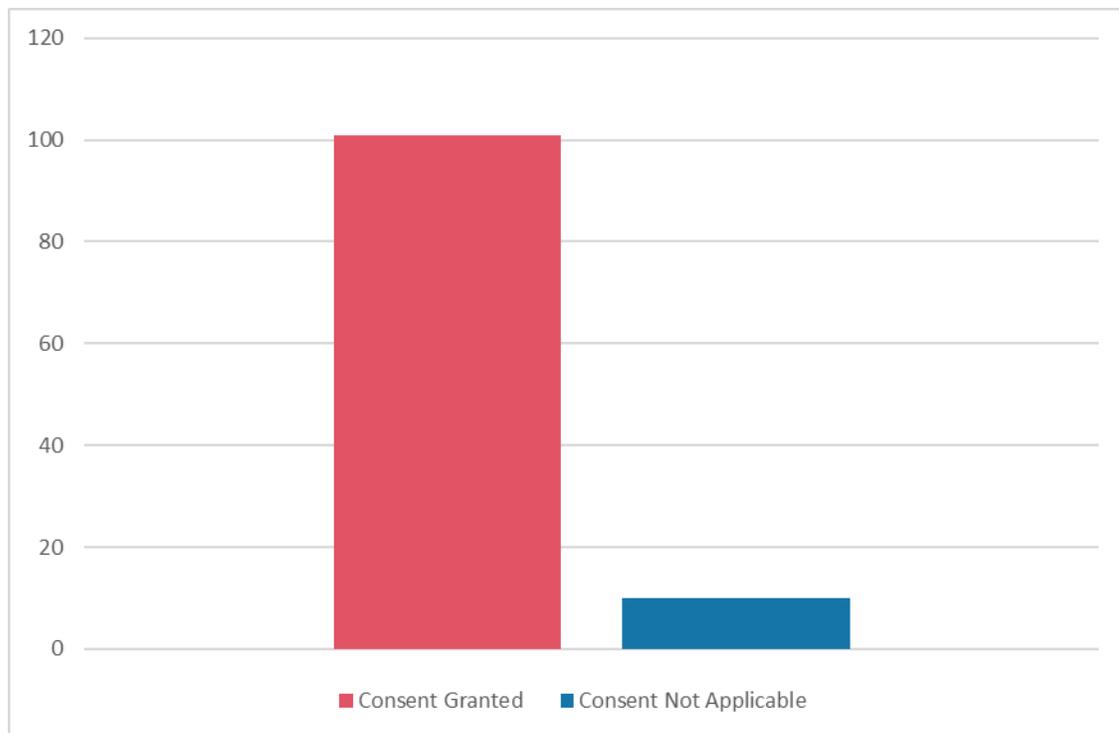
The graph and table below shows a comparison between Q4 for 2022 and Q3 and Q4 for 2023



| Suspected Criminality | Q4 2022 | | Q3 2023 | | Q4 2023 | |
|---|--------------|----------------|--------------|----------------|--------------|----------------|
| | SARs | % | SARs | % | SARs | % |
| Business Email Compromise | 1 | 0.10% | 1 | 0.08% | 0 | 0.00% |
| Corruption | 2 | 0.19% | 2 | 0.17% | 2 | 0.15% |
| Drugs Trafficking | 2 | 0.19% | 6 | 0.51% | 35 | 2.58% |
| Extortion | 0 | 0.00% | 0 | 0.00% | 9 | 0.66% |
| Forgery | 8 | 0.76% | 18 | 1.52% | 11 | 0.81% |
| Fraud | 110 | 10.46% | 212 | 17.95% | 258 | 19.04% |
| Human Trafficking & Migrant Smuggling | 0 | 0.00% | 7 | 0.59% | 2 | 0.15% |
| Insider trading and market manipulation | 0 | 0.00% | 2 | 0.17% | 0 | 0.00% |
| Money Laundering | 903 | 85.84% | 855 | 72.40% | 980 | 72.32% |
| Organised Crime | 0 | 0.00% | 0 | 0.00% | 2 | 0.15% |
| Robbery/ Theft | 9 | 0.86% | 5 | 0.42% | 2 | 0.15% |
| Sanctions | 3 | 0.29% | 3 | 0.25% | 1 | 0.07% |
| Sexual Exploitation | 4 | 0.38% | 42 | 3.56% | 10 | 0.74% |
| Tax Crimes | 10 | 0.95% | 26 | 2.20% | 36 | 2.66% |
| Terrorism | 0 | 0.00% | 1 | 0.08% | 3 | 0.22% |
| Terrorist Financing | 0 | 0.00% | 1 | 0.08% | 4 | 0.30% |
| Total | 1,052 | 100.00% | 1,181 | 100.00% | 1,355 | 100.00% |

Findings of Consent/ Defence Against Money Laundering (DAML) Requests

Note that Consents/ DAMLs received in Q4 2023, include some requests received for SARs submitted prior to Q4 2023.

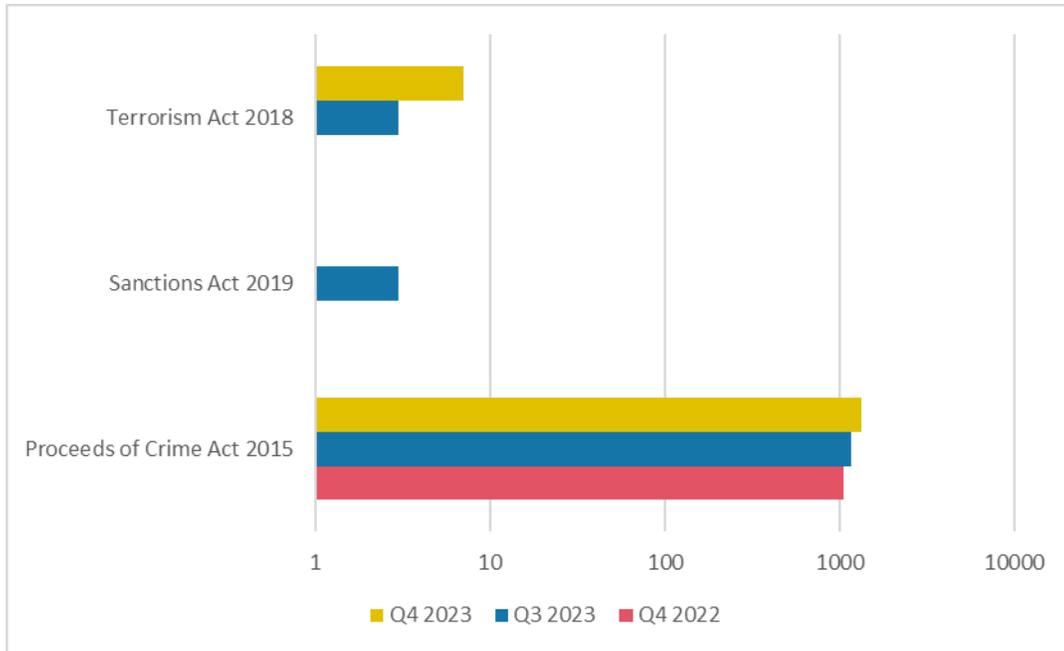


| Sector | Consent Granted | Consent Not Applicable | Total |
|--------------------------------|-----------------|------------------------|------------|
| Bank | 53 | 2 | 55 |
| DLT Provider | 12 | 0 | 12 |
| Investment/Fund Manager | 1 | 0 | 1 |
| Online/e-Gaming | 34 | 4 | 38 |
| Real Estate and Letting Agents | 0 | 2 | 2 |
| TCSP's | 1 | 2 | 3 |
| Total | 101 | 10 | 111 |

Submission of SARs by Legislation

The main legislation used to submit SARs is the Proceeds of Crime Act 2015.

The graph and table below shows a comparison between Q4 for 2022 and Q3 and Q4 for 2023.



| Legislation | Q4 2022 | Q3 2023 | Q4 2023 |
|----------------------------|-------------|-------------|-------------|
| Proceeds of Crime Act 2015 | 1051 | 1175 | 1347 |
| Sanctions Act 2019 | 1 | 3 | 1 |
| Terrorism Act 2018 | 0 | 3 | 7 |
| Total | 1052 | 1181 | 1355 |

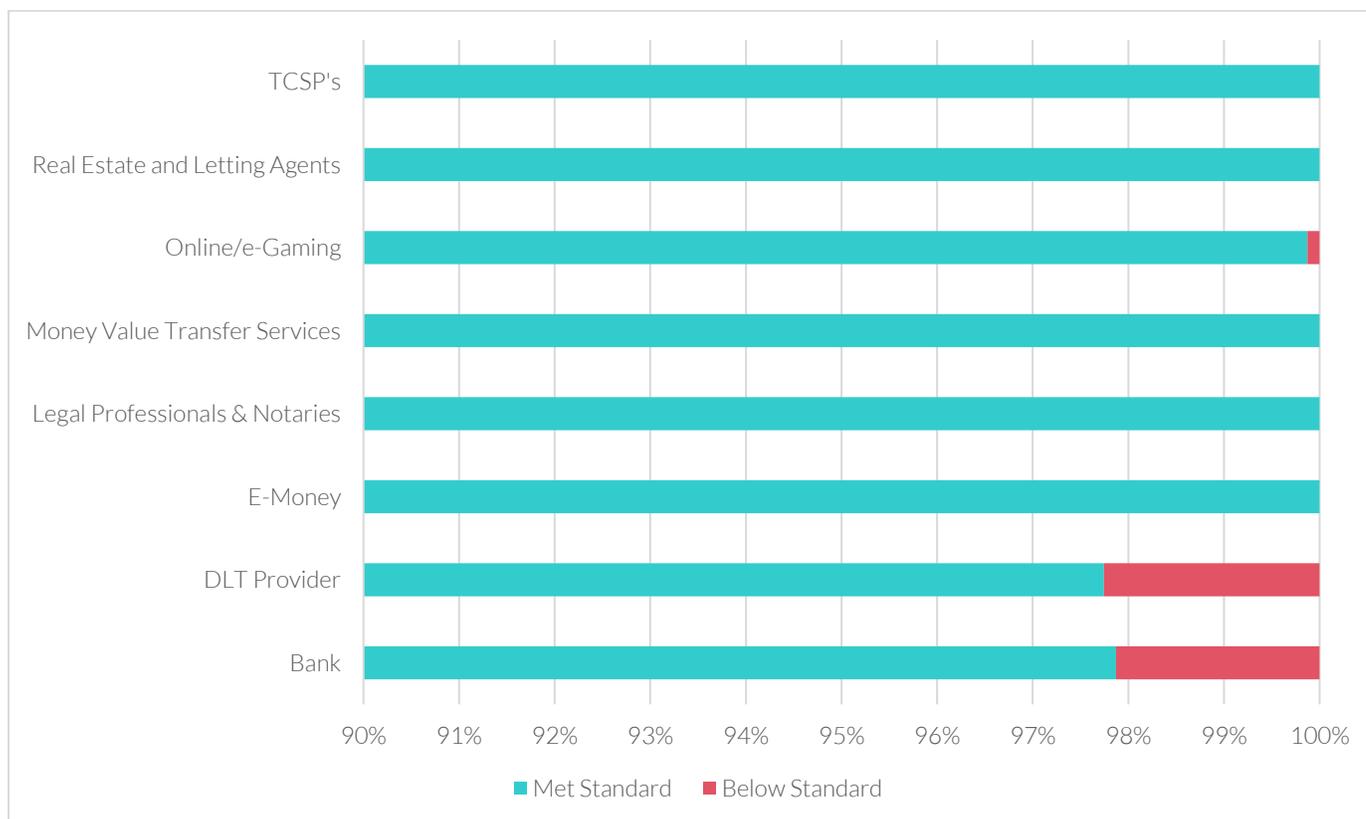
Feedback Provided to the Reporter

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

- Supporting documentation necessary for the GFU 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 GFU.
- 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

99% of the SARs to which feedback was provided in Q4 2023 met standards.

The chart provides the percentage of SARs per sector and whether they met standards, for feedback provided in Q4 2023.





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