

# Contents

|  |           |
|--|-----------|
| <b>Preface</b> .....   | <b>3</b>  |
| <b>1 General</b> .....   | <b>4</b>  |
| 1.1 Summary (Compliance with article 3 and other articles of the National Ordinance Reporting of Unusual Transactions) ..... | 4         |
| 1.2 Organization of the FIU .....  | 8         |
| 1.2.1 Seminars and training.....   | 9         |
| 1.2.2 The future supervisory department .....  | 10        |
| <b>2 Statistics</b> .....  | <b>11</b> |
| 2.1 Collecting, registering, processing and analyzing data; .....  | 11        |
| 2.2 Transactions per reporter type.....  | 13        |
| 2.2.1 Local banks .....  | 13        |
| 2.2.2 International banks .....  | 15        |
| 2.2.3 Trust companies .....  | 16        |
| 2.2.4 Money remitters .....  | 17        |
| 2.2.5 Customs.....   | 18        |
| 2.2.6 Casinos .....  | 20        |
| 2.2.7 Credit Unions .....  | 22        |
| 2.2.8 Savings Banks .....  | 23        |
| 2.2.9 Other reporting entities.....  | 24        |
| 2.2.10 Relation objective and subjective indicators.....   | 24        |
| 2.3 Requests for additional information by the Reporting Center from the Reporting Entities.....                             | 25        |
| 2.4 Reporting behavior Reporting Entities.....   | 25        |
| 2.5 Transactions per island.....   | 26        |
| 2.6 Furnishing data to the Public Prosecutor Office and to the Law Enforcement Agencies.....                                 | 28        |
| 2.6.1 Requests for information from the law enforcement agencies.....  | 29        |
| 2.6.2 Conducting investigations into the field of money laundering and terrorism financing.....                              | 30        |
| 2.6.3 Overview convictions Money Laundering and Terrorism Financing .....  | 30        |
| <b>3. Cooperation</b> .....  | <b>31</b> |
| 3.1 The Reporting Entities .....   | 31        |
| 3.2 The Law Enforcement Agencies and the Public Prosecutor in charge of money laundering and terrorism financing cases.....  | 31        |
| 3.3 The Supervisory authorities .....  | 32        |
| 3.4 The Minister of Finance and the Minister of Justice.....   | 32        |
| <b>4 International</b> .....   | <b>34</b> |
| 4.1 Financial Action Task Force (FATF).....  | 34        |
| 4.2 Caribbean Financial Action Task Force (CFATF).....   | 34        |
| 4.3 The Egmont Group.....  | 35        |
| 4.4 International exchange of information .....  | 35        |

**5 Priorities for the year 2006..... 37**  
**Annexes ..... 39**  
Annex 1: National Ordinance articles ..... 39  
    Article 1 ..... 39  
    Article 3 ..... 40  
    Article 6 ..... 41  
    Article 7 ..... 42  
    Article 12 ..... 42  
Annex 2: List of Indicators ..... 43  
Annex 3: Countries with signed MoUs ..... 48  
Annex 4: List of figures and tables ..... 49

# Preface

Pursuant to article 3, section g of the National Ordinance Reporting of Unusual Transactions I hereby respectfully submit the Annual Report and Statistics of the Unusual Transaction Reporting Center of the Netherlands Antilles (the Reporting Center) for the period ended December 31<sup>st</sup>, 2005, to the Minister of Finance of the Netherlands Antilles, with notification to the Minister of Justice. This report outlines our activities and our contributions in the fight against money laundering and terrorism financing in 2005.

In August 2005 a new Head for the Reporting Center was appointed. In the first few months after his appointment the Head of the Reporting Center familiarized himself with the organization, its objectives and legal duties and its international obligations. Several meetings were convened among others with the different law enforcement agencies and the public prosecutor in charge of the fight against money laundering and terrorism financing.

One of the issues discussed in these meetings was the electronic matching with the police files on the five island territories of the Netherlands Antilles, which has been mentioned in the Annual Report of 2002 and which had still not been effectuated. The coming year the Reporting Center will strive – in close cooperation with the law enforcement agencies and the office of the Public Prosecutor and the relevant authorities - to have this electronic matching in place. Much work also need to be done among others in decreasing the existing backlog in unusual transactions, training for the analysts with regard to financial analyses and strategic analyses, relevant courses for the policy officer and also courses in teamwork, teambuilding and communication.

Head Reporting Center

# 1 General

Formerly when processing unusual transactions the Transaction Date of received reports of unusual transactions was used. This year the Reporting Center will take into account the Incoming Date of these transactions as a starting point. The difference with using the Transaction Date being, that when the Incoming Date is used as a starting point to process transactions, all transactions registered by the Reporting Center in the relevant year will be taken into account. This way a more accurate view will be given of the work of the Reporting Center in the relevant year. The same applies to the furnishing or dissemination of suspicious transactions to the law enforcement agencies and the Public Prosecutor Office. This can result in a difference with the figures of the annual report of 2004.

In the next paragraph a summary of the work of the Reporting Center is given by making use of the relevant articles in the National Ordinance Reporting of Unusual Transactions. This way the reader can easily establish the compliance of the Reporting Center with the law in executing its work. The text of the relevant articles can be found in the annexes at the end of this annual report. In the third chapter the graphs and statistics will be given, and the comparisons with 2004.

## 1.1 Summary (Compliance with article 3 and other articles of the National Ordinance Reporting of Unusual Transactions)

This summary intends to give the reader an impression on the work of the Reporting Center in 2005 indicating at the same time, compliance with the relevant articles of the National Ordinance Reporting of Unusual Transactions.

## Pursuant to article 3, letter a and letter c; receiving and analyzing data and notification of the reporting entities:

In 2005 the Reporting Center received a number of 18967 unusual transactions with a value of ANG 2,083,101,100. This was a decrease in the reports of 25% compared with 2004, in which year 25458 unusual transactions were received with a value of ANG 2,606,190,313.

The number of transactions per Transaction Date in 2005 decreased to 18105 compared with 25716 unusual transactions in 2004.

The gap between the Transaction Date and the Incoming Date has in general been somewhat reduced. This can be seen in table 12 paragraph 2.4 The increasing reporting time of Savings Bank needs our attention.

Executed transactions are transactions which are fully carried out at the reporting entity, while an intended transaction is not executed for different reasons. Among other things, these reasons can be that the customer decides to discontinue the transaction(s) or the reporting entity decides, based on its risk policies, not to continue with the transaction(s). When this occurs, the reporting entity is obligated by law to report these intended transactions to the Reporting Center, depending on the relevant indicator. These intended transactions can play an important role in the investigations, either locally (by the Reporting Center and/or the law enforcement agencies) or internationally (by foreign FIUs via international requests for information).

The number of reports from the Money Remitter sector decreased considerably during 2005 compared with 2004. While in 2004 15124 transactions were reported, this quantity decreased to 6921 in 2005. In 2004 the number of the reports per Transaction Date was 15227. In this case the Transaction Date figure is higher than the Incoming Date figure because of the date the query was generated.

An explanation for the above-mentioned decrease could be that due to the introduction of the body scan and the 100% border controls for flights from the Netherlands Antilles, less drugs could be transported by drugs couriers to the Netherlands, resulting in less money wire transfers between the Netherlands Antilles and the Netherlands. This is one of the matters that will be looked into by

the Faber organization. For further information with regard to the study that had to be done by the Faber organization please be referred to paragraph 3.4.

On the other hand in 2005 you could see a noticeable increase in the reports from Customs. In 2004 Customs reported 404 transactions (in 2004 the number of the reports per Transaction Date was 433). In 2005 this increased to 950 transactions. An explanation can be given by indicating the backlog in Customs reports which existed and on which the Reporting Center has worked diligently to reduce in 2005. Another explanation might be given by looking at the decreasing Money Remitters. Subjects might be changing their mode of transporting money from sending their money via Money Remitters to transporting it physically.

In 2005 there is also an increase in reports received from the onshore banks and a slight increase in unusual transaction reports from the Trust sector. The offshore banks and the credit union and casinos show a decrease in reports and will be given the necessary attention in the coming year.

Almost all reports were sent electronically to the Reporting Center. All suspicious transactions that were disseminated to the Public Prosecutor Office were sent on-line and have been electronically added to the register of the central police unit.

The relevant reporting entities that reported the transactions in question were notified of the aforementioned dissemination.

### Pursuant to article 3, letter b; data furnished to the public prosecutor:

A total of 5398 transactions were furnished to the Public Prosecutor Office, after analyses by the Reporting Center. This is an increase of 93% compared to the year 2004, in which year 2718 suspicious transactions were disseminated to the Public Prosecutor Office. Of the 5398 transactions disseminated to the Public Prosecutor Office, 816 were based on investigations by the Reporting Center. The remaining disseminated transactions were based on requests received from the law enforcement agencies, update-disseminations and requests from foreign FIUs. Please be referred to paragraph 2.6.

Pursuant to information from the public prosecutor, there were 28 convictions regarding money laundering in 2005. Please be referred to paragraph 2.6.3.

## Pursuant to article 3, letter d; investigations:

In the year 2005 the Reporting Center initiated 8 investigations with regard to money laundering and terrorism financing. Of these investigations 6 cases, involving 816 transactions, were completed and sent to the Public Prosecutor Office (please be referred to par. 2.6.2).

## Pursuant to article 3, letter e; contacts with the Bank van de Nederlandse Antillen:

As a member of the working group under chairmanship of the Anti-Money Laundering Committee (CWIG) with regard to the amendment of the National Ordinance Reporting of Unusual Transactions and the working group Money Laundering Casinos and Internet Gambling, the Reporting Center continued to cooperate to achieve more effective measures in order to prevent the use of the relevant institutions for money-laundering and terrorism financing purposes. Above-mentioned amendment is necessary in order to incorporate financing of terrorism in our national law and also in order to establish a reporting duty for the non-financial businesses and professions in the Netherlands Antilles.

## Pursuant to article 3, letter f; supplying information:

In 2005 the Reporting Center organized several presentations for the reporting entities and for law enforcement agencies. For a more extensive review of these meetings and presentations, please be referred to Chapter 3 of this report.

## Pursuant to article 7; international exchange of information:

Pursuant to Article 7 of the National Ordinance the international exchange of information shall only take place on the strength of a treaty or an administrative agreement, e.g. a memorandum of understanding (MoU).

In 2005 the Reporting Center executed MoUs with:

- Antigua & Barbuda,
- Bermuda,
- Guatemala,
- Grenada,
- Panama,
- Peru, and
- St. Vincent & the Grenadines.

In 2006 we look forward to sign MoUs with Chile, Mexico, Brazil, Bahamas, Canada, England, St. Kitts & Nevis and Cyprus.

## Pursuant to article 12; requesting additional information:

The Reporting Center requested additional information from 14 reporting entities. The local banks were the entities that were most requested to supply additional information. In some cases the missing information regarded omissions by the reporting entities when filing their reports, in other cases the information was needed to assist law enforcement agencies and/or foreign Reporting Centers (FIUs), in their investigations with regard to money laundering and terrorism financing.

## 1.2 Organization of the FIU

The Reporting Center falls directly under the Minister of Finance. The Head of the Reporting Center is in charge of the daily operations. The Reporting Center has 10 job positions. At the end of 2005 besides the Head, the personnel of the Reporting Center consisted of an executive secretary and an administrative assistant, 3 operational analysts, 1 operational analyst in charge of IT issues and 1 legal counselor/policy officer.



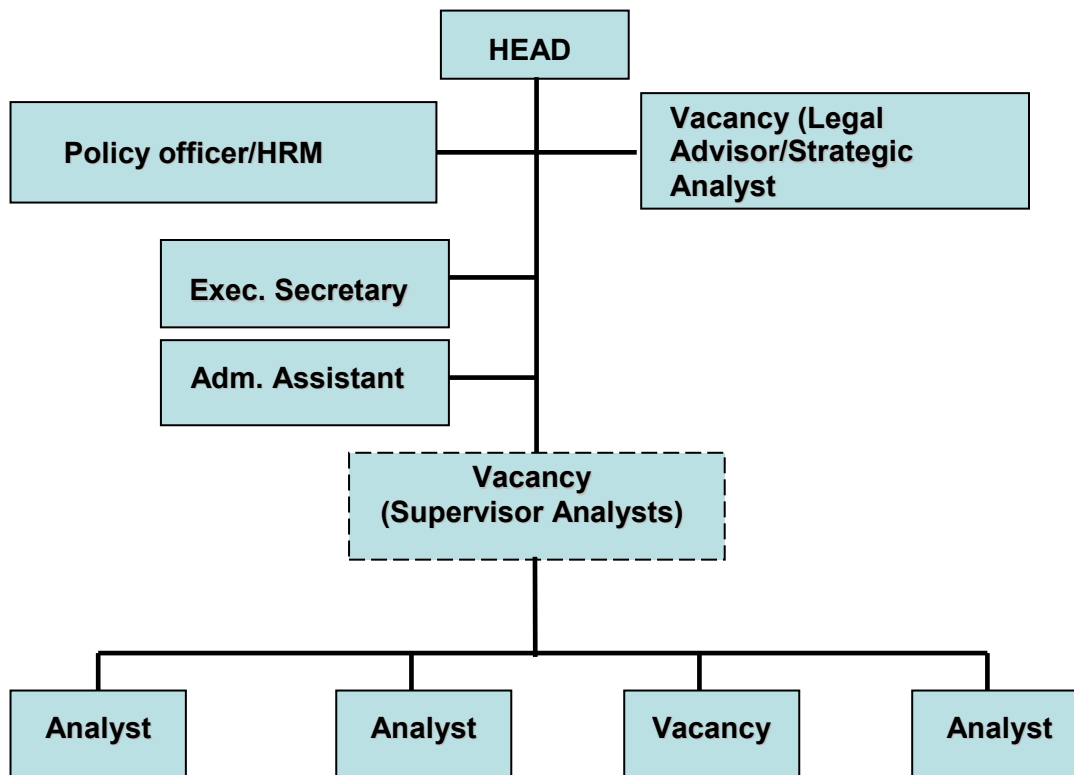


Figure 1 : organization chart

## 1.2.1 Seminars and training

During 2005 the analysts of the Reporting Center attended training sessions organized by the Money Laundering Alert Organization in Miami and also participated in a training in strategic analyses in Colombia. The analysts were also inscribed in a course on Customer Due Dilligence and Anti-Money Laundering. Furthermore the legal counselor/policy officer attended a workshop for regulators of casinos and internet gaming in Antigua & Barbuda and also followed a course in personnel administration. At the end of 2005 the Reporting Center organized meetings with two organizational experts who held presentations for all personnel on communication, teamwork and teambuilding in small organizations.

## 1.2.2 The future supervisory department

The National Ordinance Reporting Unusual Transactions is in the process of being amended. One of the amendments regards including the designated non-financial businesses and professions under the rule of the law. The Reporting Center has been indicated to act as supervisory authority for these new reporting entities. For this supervisory department, the government has approved a staff of 4 employees.

## 2 Statistics

In this chapter pursuant to article 3 and other relevant articles of the National Ordinance Reporting of Unusual Transactions, the duties of the Reporting Center will be dealt with, indicating the relevant statistics.

### 2.1 Collecting, registering, processing and analyzing data;

In the following data first the totals of 2005 will be given, followed by the figures of the reporting entities by sector. It will be noticed that the Transaction Date number generated in 2004 is different than the Incoming Date number for 2004 generated afterwards. This can be justified by taking into account the date the query was generated.

In the annual report of 2004 it was already noted that the total amount of unusual transactions is undergoing a downward trend. This downward trend continued in 2005, as can be seen in the next graph and table. This is largely in part due to the decreasing amount of reports from the Money Remitters. The decrease in reports from the Money Remitters might be explained by less drugs couriers traveling to the Netherlands, resulting in less money wire transfers between the Netherlands Antilles and the Netherlands. The Reporting Center will monitor this development.

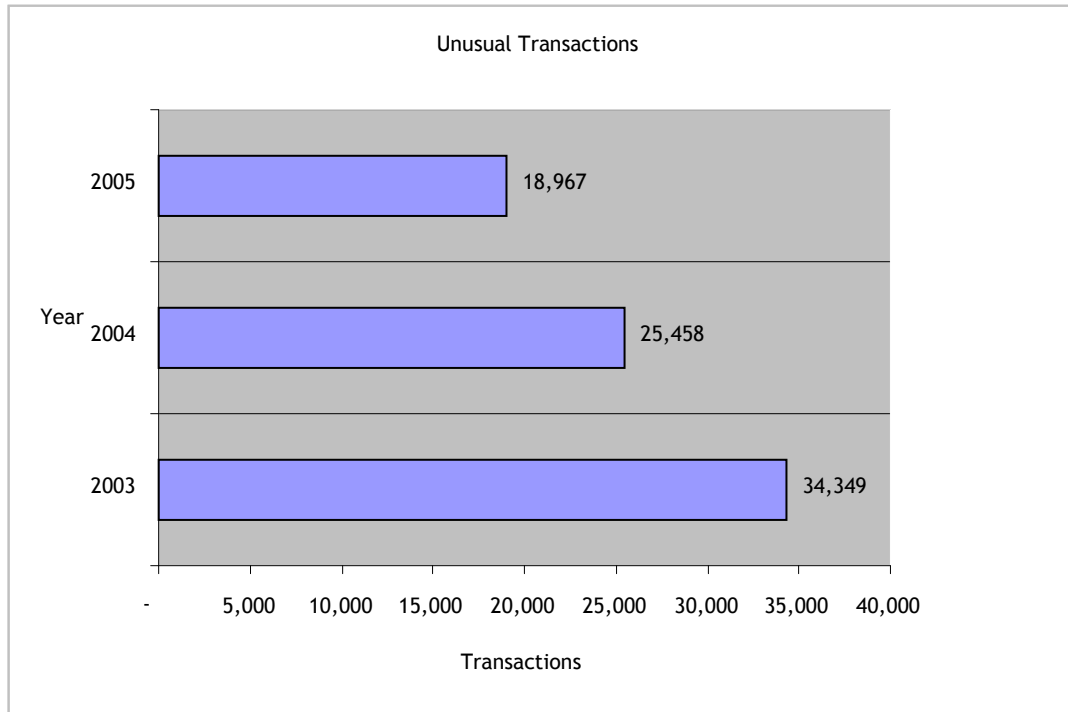


Figure 2 : total received unusual transactions (2003 – 2005)

The following table gives an overview of the executed and intended transactions within the total number of transactions received by the Reporting Center.

|                 | 2005   |               |      | 2004   |               |      | 2003   |               |
|-----------------|--------|---------------|------|--------|---------------|------|--------|---------------|
|                 | Qty.   | Value in ANG  | %    | Qty.   | Value in ANG  | %    | Qty.   | Value in ANG  |
| <b>Executed</b> | 18,878 | 1,358,874,607 | -26% | 25,338 | 1,773,998,038 | -26% | 34,310 | 1,526,270,592 |
| <b>Intended</b> | 89     | 724,226,494   | -26% | 120    | 832,192,275   | 224% | 37     | 1,282,923,606 |
| <b>Total</b>    | 18,967 | 2,083,101,100 | -26% | 25,458 | 2,606,190,313 | -26% | 34,347 | 2,809,194,198 |

Table 1 : total received unusual transactions (2003 - 2005 )

## 2.2 Transactions per reporter type

In the following paragraphs the reports of the different reporting entities will be indicated together with the indicators used by these entities. In the last paragraph a table of the other reporting entities with smaller figures of reported transactions can be seen.

| Sector              | 2005         |             |                      |             | 2004          |             |                      |             |
|---------------------|--------------|-------------|----------------------|-------------|---------------|-------------|----------------------|-------------|
|                     | Qty.         | % Qty.      | ANG                  | % ANG       | Qty.          | % Qty.      | ANG                  | % ANG       |
| Local Banks         | 10918        | 58%         | 1,739,856,139        | 84%         | 9747          | 38%         | 1,813,663,563        | 70%         |
| International Banks | 32           | 0%          | 16,624,651           | 0%          | 43            | 0%          | 379,008,971          | 15%         |
| Trust Companies     | 14           | 0%          | 1,705,702            | 0%          | 8             | 0%          | 1,330,164            | 0%          |
| Money Remitters     | 6921         | 36%         | 46,868,781           | 2%          | 15124         | 59%         | 106,099,823          | 4%          |
| Credit Union        | 56           | 1%          | 1,068,556            | 0%          | 65            | 1%          | 977,301              | 0%          |
| Casinos             | 21           | 0%          | 565,848              | 0%          | 32            | 0%          | 869,109              | 0%          |
| Customs             | 950          | 5%          | 272,663,122          | 13%         | 404           | 2%          | 294,959,307          | 11%         |
| Others              | 55           | 1%          | 3,748,301            | 1%          | 35            | 0%          | 9,282,075            | 0           |
| <b>Totals</b>       | <b>18967</b> | <b>100%</b> | <b>2,083,101,100</b> | <b>100%</b> | <b>25,458</b> | <b>100%</b> | <b>2,606,190,313</b> | <b>100%</b> |

Table 2 : total unusual transactions (2004 - 2005) per sector

### 2.2.1 Local banks

The reports of local (onshore) banks underwent an increase in 2005. The bank sector is a sector which is in frequent contact with the Reporting Center. Several compliance officers of this sector find their way very easily to the Reporting Center, whether to request information or to request assistance with the soft ware program used when reporting. The most used indicators for this sector remain the objective indicators.

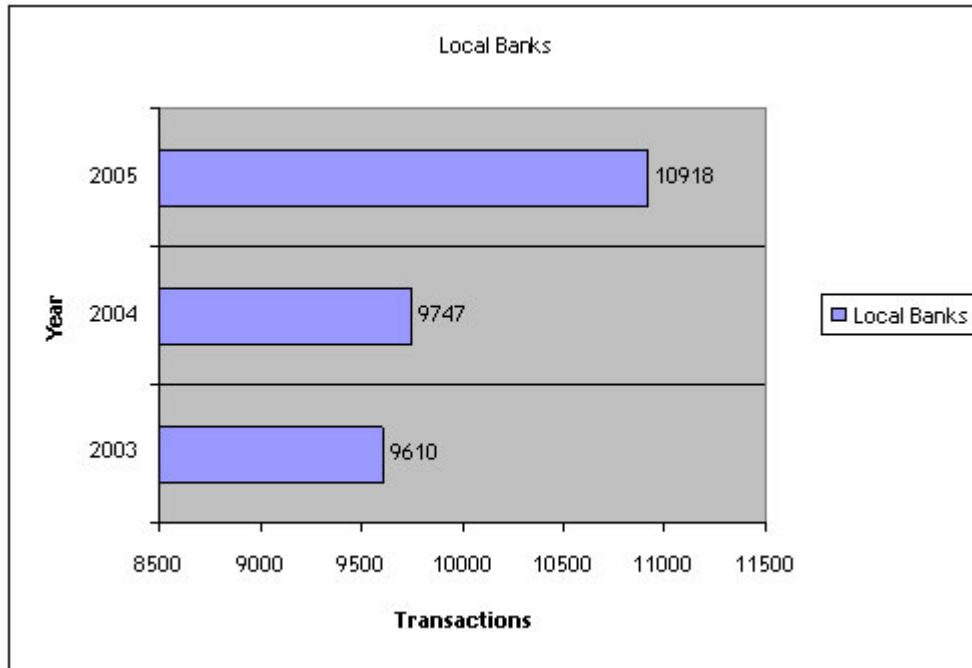


Figure 3: unusual transactions from local banks

| Local Banks      |  |            |       |        |
|------------------|--|------------|-------|--------|
| Code             | Description  | Type       | Qty.  | % Qty. |
| B0110211         | Transactions where there is cause to presume that they may relate to money laundering or terrorist financing.  | Subjective | 881   | 8.1%   |
| B9710232         | Transactions in excess of ANG 20,000.00 meeting two or more of the following indicators. ( see list of indicators )  | Subjective | 168   | 1.5%   |
| B9710134         | Transactions in excess of ANG 20,000.00 concerning the acquisition and/or cashing in by customer of checks, traveler-checks or similar instruments of payment.                         | Objective  | 5369  | 49.2%  |
| B9710136         | Transactions in excess of ANG 20,000.00 meeting two or more of the following indicators. ( see list of indicators )  | Objective  | 1581  | 14.5%  |
| B9710133         | Transactions in excess of ANG 20,000.00 involving exchange for another currency.   | Objective  | 854   | 7.8%   |
| B9710131         | Transactions in excess of ANG 250,000.00.  | Objective  | 647   | 5.9%   |
| M0010137         | Cash deposits by client in the Netherlands Antilles into a creditcard account in excess of ANG 5.000,=   | Objective  | 624   | 5.7%   |
| B9710161         | Transactions by a person other than the account holder in excess of ANG 20.000 sent internationally.   | Objective  | 378   | 3.5%   |
| T0010141         | Transactions in excess of ANG 5,000.00 with money made available in cash, by checks, by a credit- or debit card and/or money made payable in cash, by checks or by deposits in account | Objective  | 112   | 1.0%   |
| Other Indicators |  |            | 304   | 2.8%   |
| Total            |  |            | 10918 | 100%   |

Table 3 : indicators used by local banks

## 2.2.2 International banks

In 2005, 8 of the 45 offshore banks established in the Netherlands Antilles, reported 32 unusual transactions.

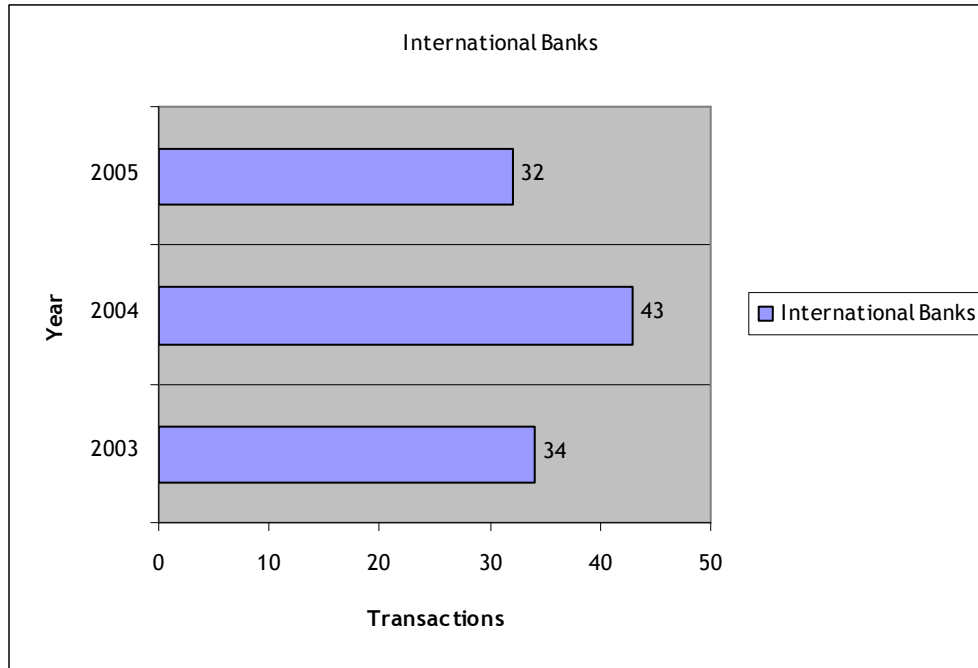


Figure 4 : unusual transactions from international banks

| International Banks |   |            |           |                |
|---------------------|---|------------|-----------|----------------|
| Code                | Description   | Type       | Qty.      | % Qty.         |
| B0110211            | Transactions where there is cause to presume that they may relate to money laundering or terrorist financing.   | Subjective | 5         | 15.6%          |
| B0110222            | Transactions in excess of ANG 250.000 on an executed or intended loan, which meets two or more of the following indicators. ( see list of indicators )  | Subjective | 1         | 3.1%           |
| B0110223            | Transactions in excess of ANG 100,000.00 concerning the acquisition and/or cashing in by customer of checks, traveler's checks or similar instruments of payment, meeting two or more of the following indicators. ( see list of indicators ) | Subjective | 2         | 6.3%           |
| B0110261            | Transactions in excess of ANG 1,000,000.00 that meet two or more of the following indicators. ( see list of indicators )  | Subjective | 9         | 28.1%          |
| B9710261            | Transactions in excess of ANG 5.000.000 meeting two or more of the following indicators. ( see list of indicators )   | Subjective | 1         | 3.1%           |
| B9710111            | Transactions that may relate to money laundering which are reported to the local police or justice institutions shall also be reported to the Reporting Center.   | Objective  | 11        | 34.4%          |
| T0010111            | Transactions where there is cause to presume that they may relate to money laundering which have been reported to the police or other justice institution shall also be reported to the Reporting Center.                                     | Objective  | 3         | 9.4%           |
| <b>Total</b>        |   |            | <b>32</b> | <b>100.00%</b> |

Table 4 : indicators used by international banks

## 2.2.3 Trust companies

Fourteen (14) transactions were reported by the Trust companies, which is an increase of 55% compared to 2004, in which year 9 transactions were received. The Reporting Center will provide more informative sessions to this sector with regard to the reporting of unusual transactions. Indicators used by the Trust companies were B0110211 and B0110261.

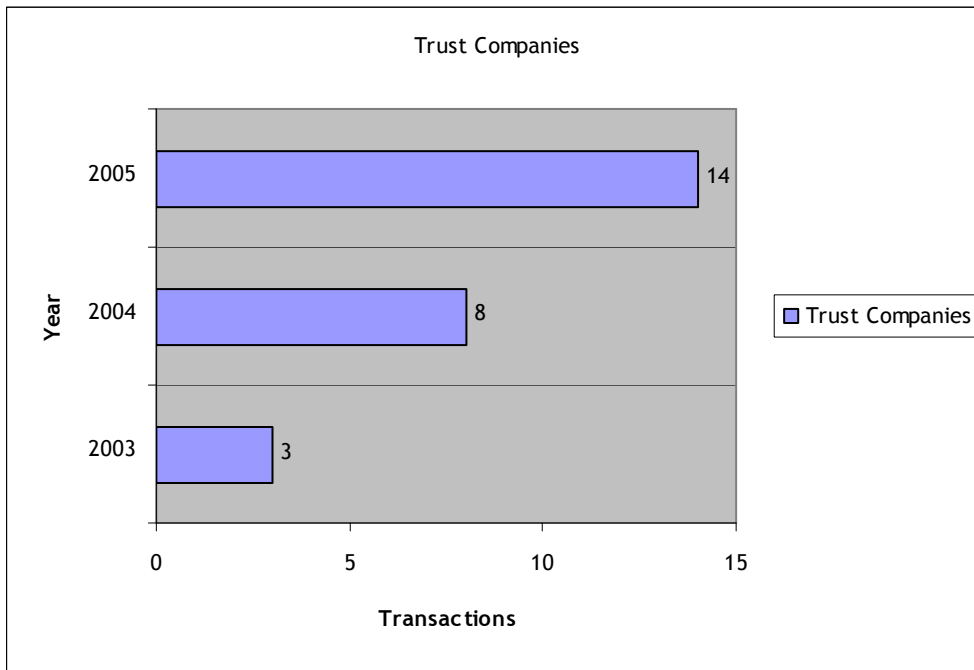


Figure 5 : unusual transactions from trust companies

| Trust Companies |   |            |      |        |
|-----------------|---|------------|------|--------|
| Code            | Description   | Type       | Qty. | % Qty. |
| B0110211        | Transactions where there is cause to presume that they may relate to money laundering or terrorist financing.         | Subjective | 13   | 92.9%  |
| B0110261        | Transactions in excess of ANG 1.000.000 that meet two or more of the following indicators. (see list of indicators ). | Subjective | 1    | 7.1%   |
| <b>Total</b>    |   |            | 14   | 100%   |

Table 5 : indicators used by trust companies



## 2.2.4 Money remitters

The number of reports from money remitters decreased enormously in 2005. A total of 6921 transactions were reported in 2005, while in 2004 this amount was 15124 transactions. This is a decrease of 8.203 transactions. On the other hand we notice a large increase of the cross border money transportations reports by the Customs. The possible relation between these two factors needs to be investigated.

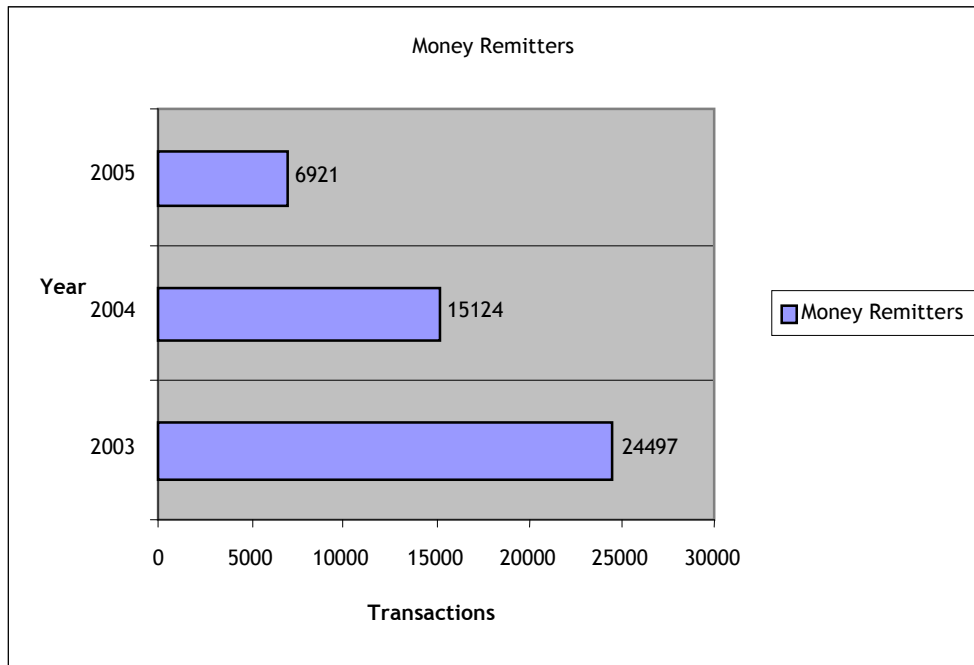


Figure 6 : unusual transactions from money remitters

| Money Remitters |   |            |             |             |
|-----------------|---|------------|-------------|-------------|
| Code            | Description   | Type       | Qty.        | % Qty.      |
| B0110211        | Transactions where there is cause to presume that they may relate to money laundering or terrorist financing.   | Subjective | 1           | 0.01%       |
| D0210211        | Transportation of cash, securities or valuable goods where there is cause to presume that they may relate to money laundering.  | Subjective | 1           | 0.01%       |
| M0010211        | Transactions where there is cause to presume that they may relate to money laundering or terrorist financing.   | Subjective | 2           | 0.03%       |
| M0010231        | Customer's preference for transactions below the upper limit amount, giving rise to the presumption that he thus wants to evade reporting.  | Subjective | 7           | 0.10%       |
| T0010211        | Transactions where there is cause to presume that they may relate to money laundering or terrorist financing.   | Subjective | 540         | 7.80%       |
| T0010231        | Behaviour of the client on transactions below the reporting limit where there is cause to presume that is done to avoid to be reported.   | Subjective | 125         | 1.81%       |
| M0010111        | Transactions reported to Police or Justice in connection with money laundering shall also be reported to the Reporting Center.  | Objective  | 1           | 0.01%       |
| T0010111        | Transactions reported to Police or Justice in connection with money laundering shall also be reported to the Reporting Center.  | Objective  | 212         | 3.06%       |
| T0010141        | Transactions in excess of ANG 5,000.00 with money made available in cash, by checks, by a credit- or debit card and/or money made payable in cash, by checks or by deposits in account. | Objective  | 6032        | 87.16%      |
| <b>Total</b>    |   |            | <b>6921</b> | <b>100%</b> |

Table 6: indicators used by money remitters

## 2.2.5 Customs

Pursuant to the National Ordinance Obligations to report Cross-Frontier Money Transportations, everyone entering or leaving one of the island territories of the Netherlands Antilles is obligated to report to the import and excise duties officials, money for a value of ANG 20.000 or more.

The reports from Customs underwent an increase of 404 transactions (in 2004 the number of the reports per Transaction Date was 433) to 950 in 2005. The corresponding value of the 2005 reports is ANG. 272,663,122.

This increase in cross-border money transportation reports might be an indication of the reason for the decrease in transactions reported by the Money Remitters in 2005.

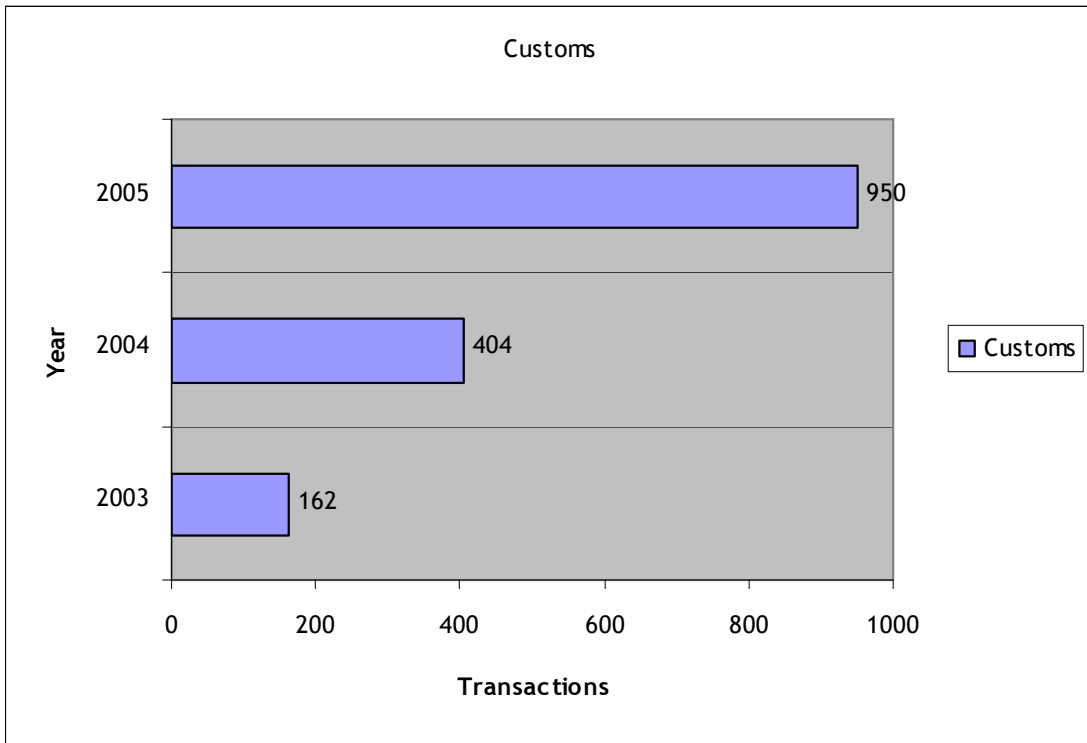


Figure 7 : unusual transactions from customs

| Customs      |   |            |            |             |
|--------------|---|------------|------------|-------------|
| Code         | Description   | Type       | Qty.       | % Qty.      |
| C0110211     | Transactions where there is cause to presume that they may relate to money laundering.  | Subjective | 1          | 0.1%        |
| C0110231     | Customer's preference for transactions below the upper limit amount, giving rise to the presumption that he thus wants to evade reporting.  | Subjective | 1          | 0.1%        |
| D0210211     | Transportations of money, paper currency or possession of valuable goods, where there is cause to presume that they may relate to money laundering.   | Subjective | 10         | 1.1%        |
| D0210231     | Customer's preference for transportations below the upper limit amount, giving rise to the presumption that the customer wants to evade reporting.  | Subjective | 1          | 0.1%        |
| C0110111     | Transactions where there is cause to presume that they may relate to money laundering which have been reported to the police or other justice institution shall also be reported to the Reporting Center. | Objective  | 1          | 0.1%        |
| D0210111     | Transportations of money, paper currency or possession of valuable goods that are reported to Police or Justice in connection with money laundering shall also be reported to the Reporting Center.       | Objective  | 5          | 0.5%        |
| D0210131     | Transactions in excess of ANG 20.000,00 involving small denominations   | Objective  | 22         | 2.3%        |
| D0210132     | Transactions in excess of ANG 20.000,00 involving larger denominations  | Objective  | 25         | 2.6%        |
| D0210133     | Transportations exceeding ANG 20.000,00 in other currencies   | Objective  | 860        | 90.5%       |
| D0210134     | Transportations exceeding ANG 20,000.00 concerning checks, travelerchecks or similar instruments of payment.  | Objective  | 17         | 1.8%        |
| D0210136     | Transportation exceeding ANG 20,000.00 meeting two or more of the following indicators:<br>a. uncounted<br>b. in foreign currency<br>c. transfer to a foreign account                                     | Objective  | 7          | 0.7%        |
| <b>Total</b> |   |            | <b>950</b> | <b>100%</b> |

**Table 7: indicators used by customs**

## 2.2.6 Casinos

In 2004 32 transactions were reported by the casinos. This number has decreased to 21 transactions in 2005, which is a decrease of 34%. It is remarkable that still only one casino is reporting. It is the objective of the Reporting Center to emphasize to the casino sector the importance of complying with their reporting duty.

Supervision on the obligation to report is very important. It needs to be improved in Curaçao, and introduced in Bonaire and Sint Maarten. Also the virtual casinos (offshore casinos) and other internet gaming need to be supervised.

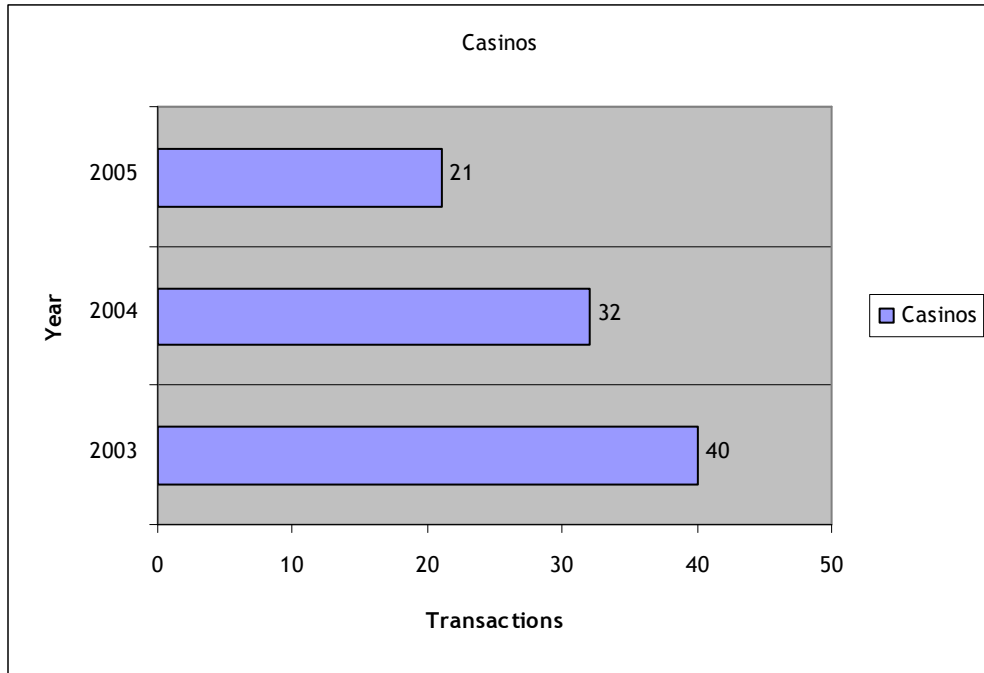


Figure 8 : unusual transactions from casinos

| Casinos  |  |           |      |        |
|----------|--|-----------|------|--------|
| Code     | Description                                    | Type      | Qty. | % Qty. |
| C0110161 | Transactions (Cash) in excess of ANG 20.000,=. | Objective | 21   | 100%   |

Table 8 : indicators used by casinos

## 2.2.7 Credit Unions

The one reporting credit union in the Netherlands Antilles reported 56 transactions in 2005, which are 9 less than in 2004. The transactions were reported using indicator B0110211.

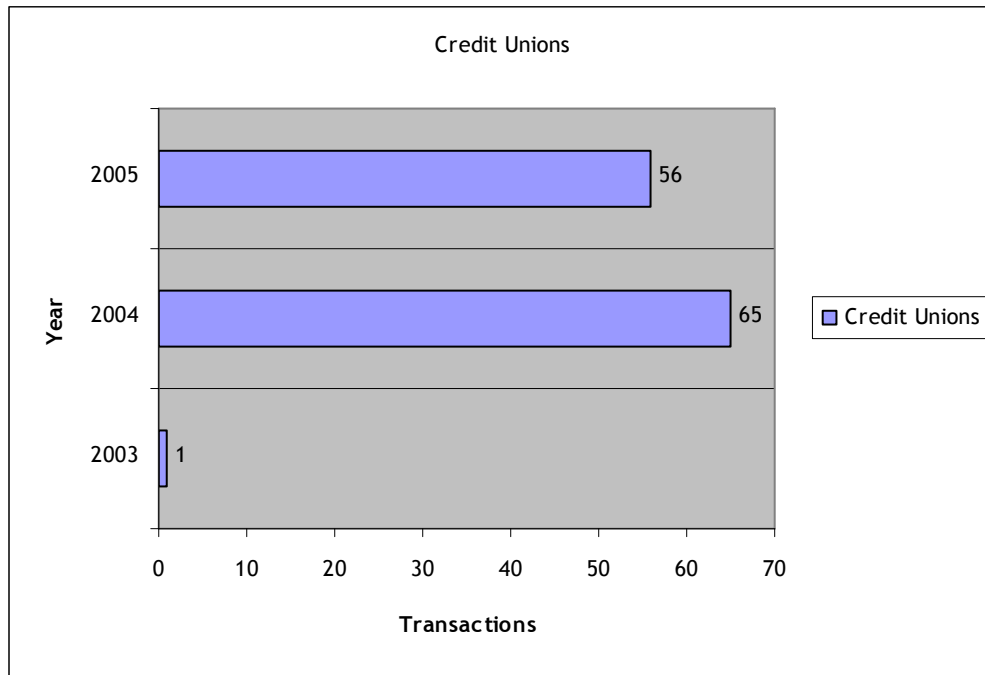


Figure 9: unusual transactions from credit unions

| Credit Unions |  |            |      |        |
|---------------|--|------------|------|--------|
| Code          | Description  | Type       | Qty. | % Qty. |
| B0110211      | Transactions where there is cause to presume that they may relate to money laundering. | Subjective | 56   |        |

Table 9 : indicators used by credit unions

## 2.2.8 Savings Banks

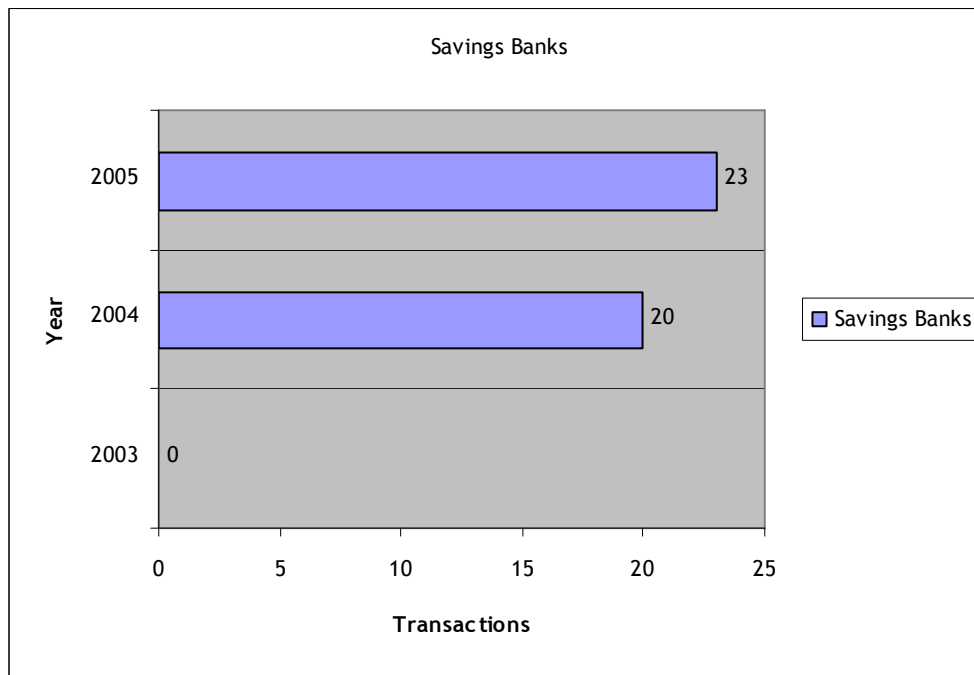


Figure 10 : unusual transactions from savings banks

| Saving Banks |   |            |           |             |
|--------------|---|------------|-----------|-------------|
| Code         | Description   | Type       | Qty.      | % Qty.      |
| B0110211     | Transactions where there is cause to presume that they may relate to money laundering or terrorist financing.                   | Subjective | 1         | 4.3%        |
| B9710111     | Transactions reported to Police or Justice in connection with money laundering, shall also be reported to the Reporting Center. | Objective  | 22        | 95.7%       |
| <b>Total</b> |   |            | <b>23</b> | <b>100%</b> |

Table 10 : indicators used by savings banks

## 2.2.9 Other reporting entities

| Sector               | 2004 | 2005 |
|----------------------|------|------|
| Central Bank         | 0    | 2    |
| Creditcard Companies | 0    | 1    |
| Insurance Companies  | 0    | 1    |

Table 11 : unusual transactions by other reporting entities (2004 - 2005)

In 2005 the Reporting Center met with the Life Insurance Sector and organized a workshop especially for this sector. The Reporting Center will organize more information sessions for this sector.

## 2.2.10 Relation objective and subjective indicators

The relation between objective and subjective indicators is shown in the next graph. Subjective reports contain very important and interesting information for the Reporting Center, because in this case the reporting is left to the subjective opinion of the reporting entity.

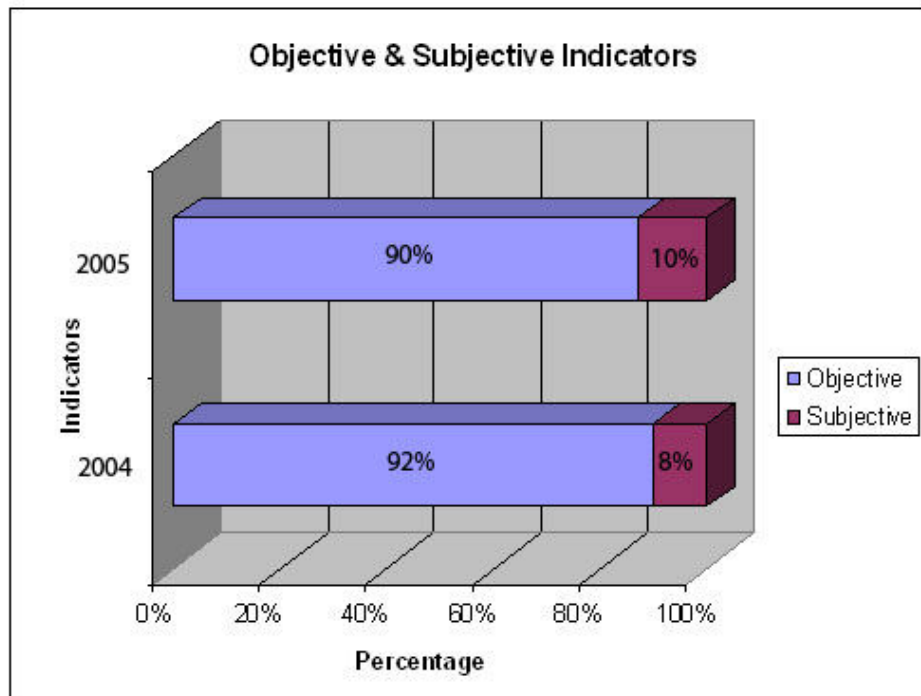


Figure 11 : relation objective and subjective indicators



## 2.3 Requests for additional information by the Reporting Center from the Reporting Entities

Pursuant to Article 12 of the National Ordinance Reporting of Unusual Obligation, the Reporting Center is authorized to ask further data or information from the party having reported.

Article 12 of the National Ordinance allows the Reporting Center to ask for further data or information from the reporting party as well as from any party involved in a transaction through the rendering of a financial service of which the Reporting Center has collected data.

In 2005 the Reporting Center made 14 requests for additional information from different financial institutions, compared to 12 requests in 2004.

## 2.4 Reporting behavior Reporting Entities

More than 90% of all reports were reported electronically to the Reporting Center. This electronic way of reporting guarantees a once-only data input, very little data entry at the Reporting Center and a complete (electronic) overview of reported transactions by the reporters. After receiving the new files at the Reporting Center, the received reports are electronically checked and after approval of certain fields, the files are added to the MOT-register.

The time between the Transaction Date and the date of receipt at the Reporting Center is important. The difference between these two dates gives an indication how the reporters comply with the National Ordinance Reporting of Unusual Transactions. In the aforementioned national ordinance reporters have the obligation to report without delay.

In practice this is interpreted as: within 48 hours. The next table indicates the average number of days per reporter type between the Transaction Date and the date the transaction was registered at the Reporting Center, the Incoming Date.

| Sector          | 2005      | 2004      |
|-----------------|-----------|-----------|
| Onshore Banks   | 25        | 20        |
| Casinos         | 17        | 4         |
| Offshore Banks  | 33        | 75        |
| Customs         | 89        | 126       |
| Credit Unions   | 58        | 94        |
| Money Remitters | 23        | 15        |
| Savings Banks   | 168       | 141       |
| Trust Companies | 28        | 29        |
| <b>Total</b>    | <b>55</b> | <b>63</b> |

Table 12 : average reporting days per reporter type

## 2.5 Transactions per island

The following table gives an overview of the unusual transactions reports distributed over the several island territories per reporting entities.

| Sector                   | 2005    |         |            | 2004    |         |            |
|--------------------------|---------|---------|------------|---------|---------|------------|
|                          | Curacao | Bonaire | St Maarten | Curacao | Bonaire | St Maarten |
| Local Banks              | 6426    | 395     | 4097       | 5429    | 431     | 3887       |
| International Banks      | 32      | 0       | 0          | 43      | 0       | 0          |
| Customs                  | 950     | 0       | 0          | 404     | 0       | 0          |
| Money Remitters          | 4651    | 0       | 2270       | 12284   | 89      | 2751       |
| Casinos                  | 21      | 0       | 0          | 32      | 0       | 0          |
| Central Banks            | 2       | 0       | 0          | 0       | 0       | 0          |
| Credit card Companies    | 1       | 0       | 0          | 0       | 0       | 0          |
| Savings Banks            | 23      | 0       | 0          | 20      | 0       | 0          |
| Trust Companies          | 14      | 0       | 0          | 8       | 0       | 0          |
| Life insurance companies | 1       |         |            | 0       |         |            |
| Credit Unions            | 56      |         |            | 65      |         |            |
| Others                   | 28      |         |            | 15      |         |            |
| <b>Total</b>             | 12205   | 395     | 6367       | 18300   | 520     | 6638       |

Table 13 : unusual transactions per reporter type

| Sector                   | 2005                 |                    |                    | 2004                 |                    |                    |
|--------------------------|----------------------|--------------------|--------------------|----------------------|--------------------|--------------------|
|                          | Curacao              | Bonaire            | St Maarten         | Curacao              | Bonaire            | St Maarten         |
| Local Banks              | 686,908,003          | 738,421,522        | 314,526,614        | 696,946,623          | 834,198,322        | 264,727,494        |
| International Banks      | 16,624,651           | -                  | -                  | 379,008,971          | -                  | -                  |
| Customs                  | 272,663,122          | -                  | -                  | 294,959,307          | -                  | -                  |
| Money Remitters          | 34,064,104           | -                  | 12,804,677         | 87,095,767           | 613,541            | 18,390,515         |
| Casinos                  | 565,848              | -                  | -                  | 869,109              | -                  | -                  |
| Central Banks            | 43,400               | -                  | -                  | -                    | -                  | -                  |
| Credit card Companies    | 5,450                | -                  | -                  | -                    | -                  | -                  |
| Savings Banks            | 811,666              | -                  | -                  | 325,242              | -                  | -                  |
| Trust Companies          | 1,705,702            | -                  | -                  | 1,330,164            | -                  | -                  |
| Life insurance companies | -                    | -                  | -                  | -                    | -                  | -                  |
| Credit Unions            | 1,068,556            | -                  | -                  | 977,301              | -                  | -                  |
| Others                   | 2,887,785            | -                  | -                  | -                    | -                  | -                  |
| <b>Total</b>             | <b>1,017,348,287</b> | <b>738,421,522</b> | <b>327,331,291</b> | <b>1,461,512,484</b> | <b>834,811,863</b> | <b>283,118,009</b> |

**Table 14 : unusual transactions per reporter type in (in ANG)**

In the table below the intended and executed transactions per island territory and the corresponding value is given. On all the islands there is a downward trend in 2005 with regard to received reports. This is caused in general by the decrease in reports from the money remitters. The remarkable amount of intended transactions on the island territory of Bonaire, had, among other things, to do with business offers received by the reporting entities, being turned down due to their risk policy.

| Year |                 | Curaçao |               | Bonaire |              | St Maarten |              |
|------|-----------------|---------|---------------|---------|--------------|------------|--------------|
|      |                 | Tr.     | Value in ANG  | Tr.     | Value in ANG | Tr.        | Value in ANG |
| 2003 | <b>Executed</b> | 28,965  | 1,169,376,240 | 288     | 81,013,942   | 4,869      | 273,679,343  |
|      | <b>Intended</b> | 26      | 994,441,663   | 9       | 287,309,493  | 2          | 1,172,450    |
|      | <b>Total</b>    | 28,991  | 2,163,817,903 | 297     | 368,323,435  | 4,871      | 274,851,793  |
| 2004 | <b>Executed</b> | 18,208  | 1,385,567,237 | 494     | 79,661,494   | 6,636      | 282,021,350  |
|      | <b>Intended</b> | 92      | 75,945,247    | 26      | 755,150,369  | 2          | 1,096,659    |
|      | <b>Total</b>    | 18,300  | 1,461,512,484 | 520     | 834,811,863  | 6,638      | 283,118,009  |
| 2005 | <b>Executed</b> | 12,134  | 1,005,043,698 | 381     | 26,538,522   | 6,363      | 327,292,386  |
|      | <b>Intended</b> | 71      | 12,304,589    | 14      | 711,883,000  | 4          | 38,905       |
|      | <b>Total</b>    | 12,205  | 1,017,348,287 | 395     | 738,421,522  | 6,367      | 327,331,291  |

**Table 15 : overview of the unusual transactions report distributed over the reporting entities**

## 2.6 Furnishing data to the Public Prosecutor Office and to the Law Enforcement Agencies

In 2005 a number of 5398 transactions were disseminated to the Public Prosecutor Office. The numbers of suspicious transactions reported to the Public Prosecutor Office increased substantially in 2005 compared with 2004. The Reporting Center disseminated information via requests received from the law enforcement agencies (by way of the Public Prosecutor Office), via own investigations, via update-disseminations (when certain transactions have previously been disseminated) and when a foreign FIU requests the Reporting Center authorization to furnish the data received to their public prosecutor and law enforcement agencies. The results are graphically shown in figure 12.

An overview of the suspicious transactions reported to the Prosecutor's office in proportion to the number of reports of unusual transactions per transaction date in the years 2004 and 2005 is graphically shown in figure 13.

It is the intention of the Reporting Center to report the suspicious transactions to the Public Prosecutor Office with as little time delay as possible between the transaction day and the day it is reported to the Public Prosecutor Office.

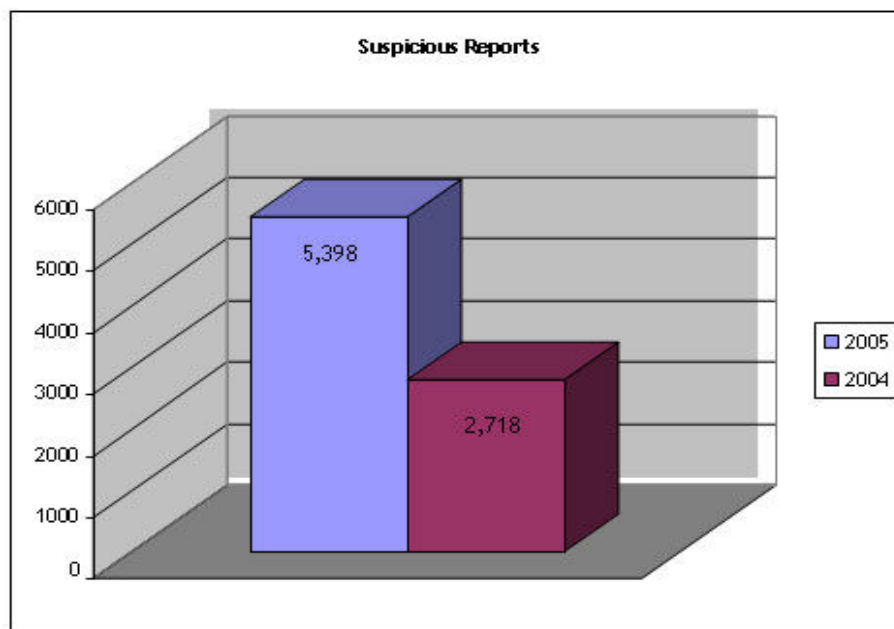


Figure 12 : suspicious reports (2004 - 2005)

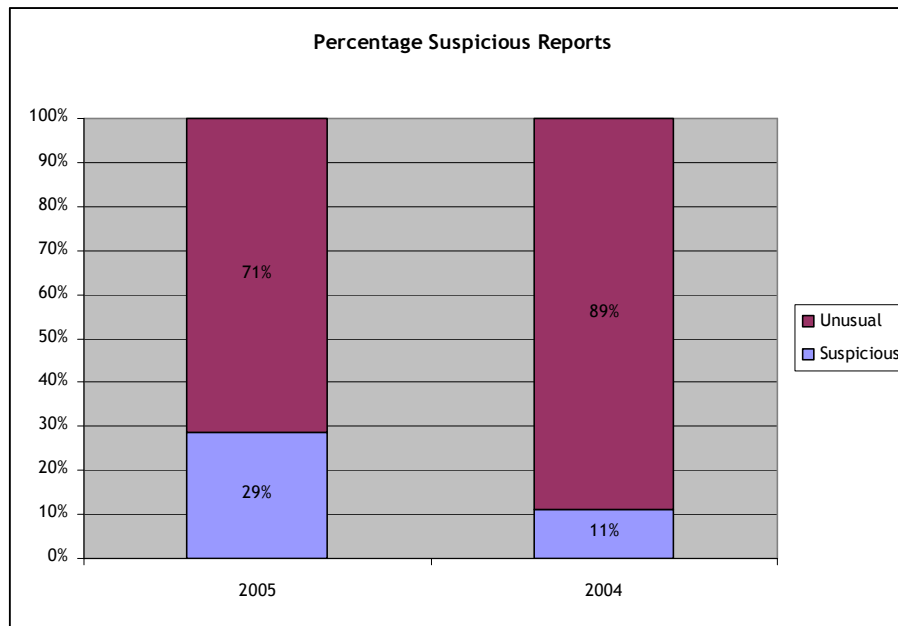


Figure 13 : suspicious reports in % (2004 - 2005)

| Sector          | 2004   |                    | 2005   |                   |
|-----------------|--------|--------------------|--------|-------------------|
|                 | Trans. | Amount             | Trans. | Amount            |
| Local banks     | 456    | ANG 93,478,148.00  | 357    | ANG 7,050,003.00  |
| Casinos         | 1      | ANG 23,175.00      | -      | ANG -             |
| Customs         | 10     | ANG 719,878.00     | -      | ANG -             |
| Money Remitters | 2,251  | ANG 17,485,320.00  | 5,041  | ANG 39,404,054.00 |
| <b>Total</b>    | 2718   | ANG 111,706,521.00 | 5398   | ANG 46,454,057.00 |

Table 16: suspicious transactions disseminated to the public prosecutor office dispersed over the reporting entities

## 2.6.1 Requests for information from the law enforcement agencies

In 2005 the Reporting Center received 31 requests for information from the law enforcement agencies; this is an increase in requests compared to 2004, in which year 23 requests were received.

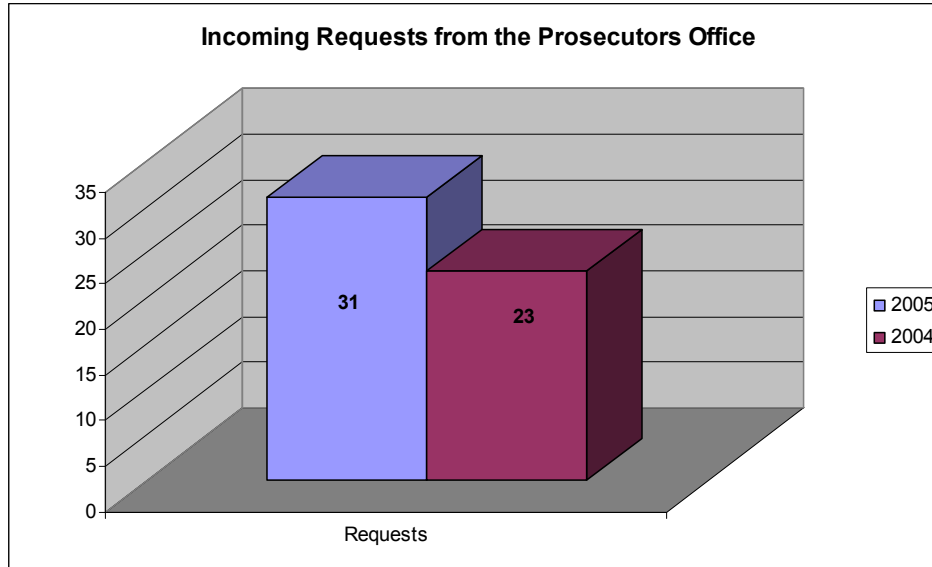


Figure 14 : incoming requests from the prosecutor office

## 2.6.2 Conducting investigations into the field of money laundering and terrorism financing

In 2005 the Reporting Center initiated 8 investigations to determine whether there was a suspicion of money laundering and/or terrorism financing. After analyses resulting in the presumption of money laundering, 6 of these cases were disseminated to the Public Prosecutor Office, involving 816 unusual transactions.

## 2.6.3 Overview convictions Money Laundering and Terrorism Financing

Information issued by the Public Prosecutor Office indicated that there were 28 convictions regarding money laundering in 2005. There were no convictions with regard to financing of terrorism. Goods seized in connection with money laundering were valued at approximately ANG 1,033,549 while goods confiscated in connection with money laundering amounted to approximately ANG. 421,012

## 3. Cooperation

Good communication and an effective exchange of information within the reporting chain is important to ensure its correct functioning. Expeditious and efficient interaction between the Reporting Center, the reporting institutions, the law enforcement agencies, the office of the Public Prosecutor and supervisory authorities are imperative conditions in the fight against money laundering and terrorism financing.

### 3.1 The Reporting Entities

In 2005 the Reporting Center paid visits to and/or received visits from among others the NAVV (Association of Insurance companies) with regard to a workshop to be organized by the Reporting Center, the Association of local banks, Customs regarding the cross border money transportations, working group Curinde with regard to the trade via the Free Zone and its possible implications to money laundering. Several meetings were also held with the law enforcement agencies and the Public Prosecutor. In these meetings, among other things, the possibility to make the suspicious transactions furnished to the Public Prosecutor Office directly accessible to all the law enforcement agencies was discussed. Furthermore the Reporting Center paid several visits to different reporting entities.

The Reporting Center organized presentations for several reporting entities. Together with the US Consulate a presentation was organized for the future reporting entities, the designated non-financial businesses and professions.

### 3.2 The Law Enforcement Agencies and the Public Prosecutor in charge of money laundering and terrorism financing cases

During the year 2005 the Reporting Center had meetings with most law enforcement agencies and the public prosecutor in charge of money laundering, both in Curacao as in Sint Maarten. In these meetings the furnishing of information by the Reporting

Center, by way of a centrally indicated law enforcement agency was discussed. The possibility for all law enforcement agencies to have a direct access to the suspicious transactions in the database of the Central Police Department was also discussed in these meetings. The coming year the Reporting Center will focus on a close cooperation with the law enforcement agencies.

### 3.3 The Supervisory authorities

The Bank van de Nederlandse Antillen (BNA), is the Supervisory authority for the Financial Sector. The Reporting Center participated in the legal working group in charge of the amendment of the National Ordinance Reporting of Unusual Transactions and the working group on Casinos and Internet Gambling, chaired by the Secretary c.q. the chairwoman of the Anti Money Laundering Committee, staff members of the BNA.

For the coming year, the Reporting Center will work toward more cooperation with BNA with regard to the reporting conduct of the reporting institutions. The Reporting Center will also inform itself of the status of the cooperation covenant with BNA which has been drawn up some time ago, but has not yet been executed.

The Gaming Control Board is the designated supervisory body for casinos, lotteries and other games of chance. It is the intention to focus more on the reporting duties of casinos in the coming year.

### 3.4 The Minister of Finance and the Minister of Justice

The Minister of Finance is the directly responsible minister for the Reporting Center. During 2005 the contacts with the Minister of Finance centered around organizational matters. The contacts with the Ministry of Justice are for the most part through the work relation of the Reporting Center with the Public Prosecutor in charge of money laundering matters and also its cooperation with the different law enforcement agencies. The Reporting Center participates in the workgroup Combating Terrorism chaired by a staff member of the Directorate of the Ministry of Justice.

In 2005 the Minister of Justice requested the cooperation of the Reporting Center with regard to the Baseline study of Criminality and the Maintenance of Law and Order by the Faber organization.



The Reporting Center, after approval of the Minister of Finance, cooperated with the Faber organization.

The study comprised of matching the information of the HATO database with by making use of the so called Keno codes with anonymous transaction information of the Reporting Center and analyzing the resulting hits. The study was planned to be finished at the beginning of 2006.

## 4 International

Because money laundering, terrorism and the financing of terrorism are global in nature, international cooperation must be an essential component in the fight against these criminal activities.

### 4.1 Financial Action Task Force (FATF)

The FATF is an intergovernmental organization established to develop and promote policies, both nationally and internationally, to combat money laundering and terrorist financing. The FATF has published 40 Recommendations and 9 Special Recommendations for the fight against money laundering and terrorism financing respectively. The FATF currently has 33 members, including the Kingdom of the Netherlands. The Netherlands Antilles participates in the work of the FATF together with the Netherlands and Aruba and is represented by two staff members of the Bank van de Nederlandse Antillen. The Reporting Center is on the mailing list of the FATF and is informed of all meetings and working groups organized by this organization.

### 4.2 Caribbean Financial Action Task Force (CFATF).

The CFATF is comprised of 30 member countries whose goal is to develop and promote strategies in the fight against Money Laundering and the Financing of Terrorism at national, regional and international levels

In 2005 the Reporting Center attended the 4<sup>th</sup> Heads of FIU meeting and the CFATF Plenary XXII and Ministerial Meeting XII, which took place respectively in Guatemala and Jamaica.

## 4.3 The Egmont Group

The Egmont Group is the association of the international group of Financial Intelligence Units (FIUs), established to promote and enhance international cooperation in anti-money laundering and counter-terrorism financing. At the moment the Egmont Group comprises 101 members including the Reporting Center of the Netherlands Antilles.

In June 2005 the Egmont Group organized its 10<sup>th</sup> Plenary Meeting in Washington, in which the Reporting Center participated.

## 4.4 International exchange of information

Exchange of information on money laundering and terrorism financing with other FIUs is only possible via a Treaty or a Memorandum of Understanding (MoU).

As is the case, the road leading up to the signing and entrance into force of a Treaty is arduous and can easily take a couple of years. A MoU on the other hand while not requiring much procedural rump slump provides a solid legal framework - as would a Treaty - for the exchange of information regarding money laundering and terrorism financing.

Based on the aforementioned the policy of the Reporting Center is to exchange information on the basis of a MoU. The standard draft MoU, used by the Reporting Center, is based on the Egmont model.

The Reporting Center will exchange information on the basis of reciprocity and is based on the following considerations:

- free exchange of information for purposes of analysis at FIU-level.
- no dissemination or use of the information for any other purpose without previous consent of the supplying agency.
- protection of the confidentiality of the information.

In 2005 the Reporting Center received and processed 23 requests for information from other FIUs. Most requests were received from the Netherlands.

The requests received regarded the furnishing of information with regard to the identity of subjects (both natural persons and corporations), transaction information and in some cases, also police information. The exchanged information is only for evaluation of financial transactions within FIUs. If the receiving

FIU wants to use it for other purposes (for example disseminating the information to their public prosecutor), they are obliged to ask the head of the Reporting Center for permission, which will be given after consultation with the public prosecutor in charge of money laundering and terrorism financing.

## 5 Priorities for the year 2006

For the coming year the Reporting Center intends to work on the following matters with a view to complying with its legal duties of preventing and detecting money laundering and terrorism financing and the underlying criminal offences.

The following list is not exhaustive.

- Organize awareness-training programs for the personnel of the Reporting Center, to make them aware of the typologies of money laundering and terrorism financing.
- Organize teambuilding sessions in which communication between the personnel and learning how to be a team player plays an important role.
- Organize informative sessions for the personnel of the Reporting Center with regard to the upcoming FATF Mutual Evaluation.
- Look into relevant training courses for the operational, strategic analyst and the policy officer.
- Strengthen the communication with the managing boards (of associations) of reporting institutions and the (association of) compliance officers.
- Continue discussing the possibility for electronic matching with the police files on all the five island territories of the Netherlands Antilles with the relevant actors.
- Work on establishing an online function with the Civil Registry Department, which will make the analytical activities of the Reporting Center more efficient.
- Work more closely with the Customs department on the reporting of cross border cash transportations. Giving information on the work of the Reporting Center, the reporting forms and continue discussions with Customs in order have the reports sent electronically to the Reporting Center.

- Visit the reporting entities on Bonaire, Saba and Sint Eustatius to hold informative sessions.
- Establish contact with the Bank van de Nederandse Antillesn (the Central Bank) and the Bureau Financieel Toezicht, the Supervisory authority in the Netherlands of the designated non-financial businesses and professions, for assistance in establishing the new Supervisory Department.
- Establish close working relations with the Reporting Centers of Aruba and the Netherlands.
- Together with the supervisors, improve the reporting behaviour of financial institutions.
- Together with the compliance officers of the reporting institutions, work on improving the reporting of unusual transactions to the Reporting Center. The goal of the Reporting Center is to focus on receiving more subjective reports from the reporters in the coming year.
- Strengthen the cooperation with the different law enforcement agencies.
- Focus on providing more information regarding the reporting duty to Life Insurance companies and their brokers, the Fiduciary or Trust sector and the Casinos.
- Work on establishing the definite legal position of the Reporting Center.

# Annexes

## Annex 1: National Ordinance articles

### **NATIONAL ORDINANCE of 10 February 1996 on the duty to report unusual transactions noted during financial service provision (National Ordinance Reporting of Unusual Transactions)**

(O.G. 1996, no. 21 amended by National Ordinance of 3 August 2001, O.G. 2001, no. 78. The National Ordinance Reporting of Unusual Transactions entered into force on 1 October 1997, O.G. 1997, no. 252)

## Article 1

In this national ordinance and the provisions based thereupon:

- a. Financial Services shall mean the following services rendered in or from the Netherlands Antilles:
  1. taking into custody securities, paper currency, coins, currency notes, precious metals and other valuables;
  2. opening an account, on which a balance may be kept in money, securities, precious metals or other valuables;
  3. renting out a safe-deposit box;
  4. effecting payment in connection with the cashing in of coupons or comparable documents of bonds or comparable securities;
  5. entering into a life insurance contract as referred to in article 1, first paragraph, sub a., of the National Ordinance Supervision of the Insurance Industry, as also rendering mediation in connection therewith;
  6. making a distribution on account of a life insurance contract as referred to in paragraph 5 above;
  7. crediting or debiting an account, or causing this to be done, on which account a balance may be kept in money, securities, precious metals or

- other valuables;
- 8. exchanging guilders or foreign currency;
- 9. providing other services to be designated by national decree containing general measures;
- b. Customer shall mean: the natural person or legal person to whom or in whose favour a financial service is rendered, and also, in the event of a financial service as referred to under a, sub 5 and 6 above, who pays the premium, as also the party in whose favour the distribution is made;
- c. Transaction shall mean: an act or a set of acts of or in favour of a customer in connection with the taking of one or more financial services;
- d. Unusual Transaction shall mean: a transaction that must be regarded as such based on the indicators laid down pursuant to article 10;
- e. Reporting shall mean: reporting as referred to in article 11;
- f. Reporting Center shall mean: the Reporting Center as referred to in article 2;
- g. Committee shall mean: the committee as referred to in article 16;
- h. Money Laundering shall mean: an action rendered punishable in the National Ordinance Penalization of Money Laundering.

## Article 3

The task of the Reporting Center shall be:

- a. to collect, register, process and analyse the data obtained by it, in order to determine whether this data may be important to prevent and detect money laundering and the criminal offences that are at the root thereof;
- b. to furnish data in accordance with the stipulations laid down in or pursuant to this national ordinance;
- c. to notify the party having reported, in accordance with article 11 with a view to proper compliance with the duty to report, of the handling of the report. In such a case, the



- notification shall state only whether data has been furnished in accordance with section b;
- d. to conduct an investigation into developments in the field of money laundering and into improvements of the methods to prevent and detect money laundering;
  - e. to make recommendations, having heard the Bank van de Nederlandse Antillen [Central Bank of the Netherlands Antilles], for the relevant industries as regards the introduction of appropriate procedures for internal control and communication and other measures to be taken to prevent the use of the relevant industries for money laundering purposes;
  - f. to give information as regards the manifestations and the prevention of money laundering;
  - g. to render annual reports of its activities and its plans for the next year to the Minister of Finance and to notify the Minister of Justice of this report.

## Article 6

The Reporting Center shall be under the obligation to furnish the following data to the authorities and officials in charge of the detection and prosecution of criminal offences:

1. data from which the reasonable presumption results that a certain person is guilty of money laundering or of a criminal offence that lies at the root thereof;
2. data from which it may be reasonably presumed that it is important to the detection of money laundering or of the criminal offences lying at the root thereof;
3. data from which it may be reasonable presumed that it is important to the prevention or detection of future criminal offences that may underlie money laundering and that, in view of their seriousness or frequency or the organized relation in which they will be committed, will result in grave invasion of the legal order.

## Article 7

1. By national decree containing general measures, rules shall be laid down as regards the furnishing of data from the register of the Reporting Center to the officially designated authorities in or outside the Kingdom, having a task comparable to that of the Reporting Center, and as regards the conditions subject to which such data shall be furnished.
2. The furnishing of data, as referred to in the first paragraph, to authorities outside the Kingdom shall take place only on the strength of a treaty or an administrative agreement.

## Article 12

1. The Reporting Center shall be competent to ask further data or information from the party having reported as also from the party involved in a transaction through the rendering of a financial service as referred to in article 1, under a., sub 7, on which transaction the Reporting Center has collected data, in order for the Reporting Center to be able to judge whether the data collected must be furnished by virtue of its task, as referred to in article 3, under b.
2. The party from whom this data or information has been requested in accordance with the first paragraph shall be bound to furnish the Reporting Center with such data or information in writing, as also, in cases deemed urgent at the discretion of the Reporting Center, orally within the term stated by the Reporting Center.

## Annex 2: List of Indicators

| <b>Banks</b>      |  |
|-------------------|--|
| <b>OBJECTIVE</b>  |  |
| B9710111          | Transactions reported to Police or Justice in connection with money laundering, shall also be reported to the Reporting Center.  |
| B9710131          | Transactions in excess of ANG 250,000.00.  |
| B9710132          | Transactions in excess of ANG 20,000.00 involving exchange for larger denominations.   |
| B9710133          | Transactions in excess of ANG 20,000.00 involving exchange for another currency.   |
| B9710134          | Transactions in excess of ANG 20,000.00 concerning the acquisition and/or cashing in by customer of checks, traveler-checks or similar instruments of payment.   |
| B9710135          | Transactions in excess of ANG 20,000.00 involving securities.  |
| B9710136          | Transactions in excess of ANG 20,000.00 meeting two or more of the following indicators: <ul style="list-style-type: none"> <li>a. uncounted;</li> <li>b. in foreign currency;</li> <li>c. not deposited in one's own account;</li> <li>d. transfer to a foreign account.</li> </ul>   |
| B9710161          | Transactions by non-account holders in excess of ANG 20,000.00 destined for abroad.  |
| <b>SUBJECTIVE</b> |  |
| B0110211          | Transactions where there is cause to presume that they may relate to money laundering or terrorist financing.  |
| B9710221          | Accounts whereby two or more of the following indicators are met: <ul style="list-style-type: none"> <li>a. non-resident;</li> <li>b. identification problems;</li> <li>c. unusual term-offer;</li> <li>d. remarkable number of accounts.</li> </ul>   |
| B0110222          | Transactions in excess of ANG 250,000.00 concerning a supplied or a proposed loan, meeting two or more of the following indicators: <ul style="list-style-type: none"> <li>a. no obvious legal purpose or no visible relation to (business)activities;</li> <li>b. certainties reserved by credit institutes or third parties, whereby the origin is not verifiable or which is not in accordance with client's (business)activities;</li> <li>c. guarantees by third parties with no visible relation to the client;</li> <li>d. application not in accordance with the purpose of the loan supplied;</li> <li>e. unexpected and inexplicable solution of a (problem)loan;</li> <li>f. incoming flow consists of many small amounts from unknown third parties or without indication of the principal.</li> </ul> |
| B0110223          | Transactions in excess of ANG 100,000.00 concerning the acquisition and/or cashing in by customer of checks, traveler's checks or similar instruments of payment, meeting two or more of the following indicators: <ul style="list-style-type: none"> <li>a. from and/or to a foreign country;</li> </ul>  |

|          |   |
|----------|---|
|          | <ul style="list-style-type: none"> <li>b. no obvious legal reason or no visible relation with (business)activities;</li> <li>c. transaction non-typical of customer;</li> <li>d. incoming flow consists of many small amounts and outgoing flow of large amounts, or vice-versa;</li> <li>e. endorsed on client's name;</li> <li>f. remarkable number of accounts;</li> <li>g. customer acts as a front man;</li> <li>h. remarkable turnover or remarkable change in the balance of the account;</li> <li>i. unusual term-offer.</li> </ul>   |
| B0110271 | <p>Physical surrendering or delivering up of securities in excess of ANG 20,000.00, meeting two or more of the following indicators:</p> <ul style="list-style-type: none"> <li>a. from and/or to a foreign country;</li> <li>b. identification problems;</li> <li>c. unusual term-offer;</li> <li>d. transactions non-typical of customer;</li> <li>e. customer acts as a front man;</li> <li>f. customer is nervous for no apparent reason;</li> <li>g. customer is accompanied and controlled;</li> <li>h. no obvious legal purpose or no visible relation to (business)activities;</li> <li>i. customer never visited the office before;</li> <li>j. incoming flow consists of many small amounts and outgoing flow of large amounts, or vice-versa.</li> </ul>   |
| B9710231 | Customer's preference for transactions below the upper limit amount, giving rise to the presumption that he thus wants to evade reporting.  |
| B9710232 | <p>Transactions in excess of ANG 20,000.00 meeting two or more of the following indicators:</p> <ul style="list-style-type: none"> <li>a. identification problems;</li> <li>b. unusual term-offer;</li> <li>c. transaction non-typical of customer;</li> <li>d. small denominations;</li> <li>e. unusual packaging;</li> <li>f. frequent deposits by non-accountholder;</li> <li>g. customer is nervous for no apparent reason;</li> <li>h. customer is accompanied and controlled;</li> <li>i. customer acts as a front man;</li> <li>j. no obvious legal purpose or no visible relation to (business)activities;</li> <li>k. remarkable turnover or remarkable change in the balance of the account;</li> <li>l. incoming flow consists of many small amounts and outgoing flow of large amounts, or vice-versa;</li> <li>m. customer delivers uncounted money, without same being related to (business)activities;</li> <li>n. customer does not deposit amount into his own account or into that of his employer;</li> <li>o. amount is deposited in favour of an account with a bank in a foreign country</li> </ul> |
| B0110241 | Transactions in excess of ANG 5,000.00, whereby funds are made available by a financial institution within or outside the Netherlands Antilles for a non-accountholder, meeting two or more of the following  |

|          |  |
|----------|--|
|          | <p>indicators:</p> <ul style="list-style-type: none"> <li>a. no obvious legal purpose or no visible relation to (business)activities;</li> <li>b. identification problems;</li> <li>c. transaction non-typical of customer;</li> <li>d. Customer is nervous for no apparent reason;</li> <li>e. Customer is accompanied and controlled;</li> <li>f. Customer acts as a front man.</li> </ul>   |
| B0110261 | <p>Transactions in excess of ANG 1,000,000.00 that meet two or more of the following indicators:</p> <ul style="list-style-type: none"> <li>a. from and/or to a foreign country;</li> <li>b. identification problems;</li> <li>c. remarkable number of accounts;</li> <li>d. no obvious legal purpose or no visible relation to (business)activities;</li> <li>e. transaction non-typical of customer;</li> <li>f. unusual term-offer;</li> <li>g. remarkable turnover or remarkable change in the balance of the account;</li> <li>h. incoming flow consists of many small amounts and outgoing flow of large amounts, or vice-versa;</li> <li>i. not on customer's own account;</li> <li>j. to a foreign country without assignment of a beneficiary or under a code name;</li> <li>k. From a foreign country without assignment of the principal or under a code name.</li> </ul> |
| B0110262 | Customer's preference for transactions below the upper limit amount, giving rise to the presumption that he thus wants to evade reporting.   |

### Hazard games

|                   |  |
|-------------------|--|
| <b>OBJECTIVE</b>  |  |
| C0110111          | Transactions reported to Police or Justice in connection with money laundering shall also be reported to the Reporting Center.             |
| C0110181          | To place into deposit of cash or other values exceeding ANG 20.000,00.   |
| C0110161          | Transactions in excess of ANG 20,000.00  |
| C0110133          | The purchase or exchange of tokens by a player exceeding ANG 20.000,00 by returning foreign exchange.                                      |
| C0110134          | The purchase or exchange of tokens by a player exceeding ANG 20.000,00 by returning checks.  |
| <b>SUBJECTIVE</b> |  |
| C0110211          | Transactions where there is cause to presume that they may relate to money laundering or terrorist financing.                              |
| C0110231          | Customer's preference for transactions below the upper limit amount, giving rise to the presumption that he thus wants to evade reporting. |

### Life insurance

|                  |   |
|------------------|---|
| <b>OBJECTIVE</b> |   |
| L9710111         | (An application for) a life insurance reported to Police or Justice in relation to money laundering shall also be reported to the Reporting Center. |
| L9710112         | The initial premium or the purchase sum is paid in cash and exceeds   |

|                   |   |
|-------------------|---|
|                   | ANG 100,000.00  |
| L9710151          | Any payment from life insurance, related to money laundering, reported to Police or Justice, shall also be reported to the Reporting Center   |
| L9710152          | Any payment in excess of ANG 100,000.00 into an account with a bank outside the Netherlands Antilles within 5 years from the insurance having been entered into.  |
| L9710153          | Any payment of over ANG 100,000.00 related to the insurance, transferred within 2 years prior to the expiration date of the insurance, its use as collateral security, or the surrendering of its policy, or the beneficiary of which insurance was changed within that period (this indicator shall not apply in respect of a transfer to, or of the party benefited being changed to, a child or a grandchild).   |
| L9710154          | Any cash payment in excess of ANG 50,000.00   |
| <b>SUBJECTIVE</b> |   |
| L9710211          | (An application for) a life insurance whereby there cause to presume that they may relate to money laundering or terrorist financing.   |
| L9710212          | Life insurances for which the initial premium payment or the purchase sum exceeds ANG 25,000.00 and which meet three or more of the following indicators: <ul style="list-style-type: none"> <li>a. The policyholder has his residence outside the Netherlands Antilles;</li> <li>b. The policyholder reports no (private) permanent residence;</li> <li>c. The initial premium payment or purchase sum deposit is effected from an account with a bank outside the Netherlands Antilles;</li> <li>d. The duration of the insurance is 3 years or less, unless it concerns capital insurance for the covering of pension claims, the scheme of which has been laid down in a pension letter, clearly stating that the scheme is based on employment.</li> </ul> |
| L9710251          | There is cause to presume that the insurance concerned is related to money laundering.  |

**Credit cards**

|                   |  |
|-------------------|--|
| <b>OBJECTIVE</b>  |  |
| M0010111          | Transactions reported to Police or Justice in connection with money laundering shall also be reported to the Reporting Center.             |
| M0010134          | Use of the credit card in connection with transactions in excess of ANG 20,000.00 in or from the Netherlands Antilles.                     |
| M0010137          | Cash deposit of ANG 5,000.00 by customer in the Netherlands Antilles for the benefit of a credit card account.                             |
| <b>SUBJECTIVE</b> |  |
| M0010211          | Transactions where there is cause to presume that they may relate to money laundering or terrorist financing.                              |
| M0010231          | Customer's preference for transactions below the upper limit amount, giving rise to the presumption that he thus wants to evade reporting. |

**Money rem.**

|                  |  |
|------------------|--|
| <b>OBJECTIVE</b> |  |
| T0010111         | Transactions reported to Police or Justice in connection with money laundering shall also be reported to the Reporting Center. |

|                   |   |
|-------------------|---|
| T0010141          | Transactions in excess of ANG 5,000.00 with money made available in cash, by checks, by a credit- or debit card and/or money made payable in cash, by checks or by deposits in account. |
| <b>SUBJECTIVE</b> |   |
| T0010211          | Transactions where there is cause to presume that they may relate to money laundering or terrorist financing.   |
| T0010231          | Customer's preference for transactions below the upper limit amount, giving rise to the presumption that he thus wants to evade reporting.  |

## Annex 3: Countries with signed MoUs

| <b>Nr.</b> | <b>Country</b>               | <b>MoU signed in year</b> |
|------------|------------------------------|---------------------------|
| 1          | Andora                       | 2004                      |
| 2          | Antigua & Barbuda            | 2005                      |
| 3          | Aruba                        | 2001                      |
| 4          | Belgium                      | 2002                      |
| 5          | Bermuda                      | 2005                      |
| 6          | Colombia                     | 2004                      |
| 7          | Czech Republic               | 2004                      |
| 8          | Estonia                      | 2004                      |
| 9          | Grenada                      | 2005                      |
| 10         | Guatemala                    | 2005                      |
| 11         | Ireland                      | 2004                      |
| 12         | Lebanon                      | 2004                      |
| 13         | Netherlands                  | 2001                      |
| 14         | Panama                       | 2005                      |
| 15         | Peru                         | 2005                      |
| 16         | St. Vincent & the Grenadines | 2005                      |
| 17         | United States                | 2004                      |
|            |                              |                           |

**Table 17 : signed MoUs**



## Annex 4: List of figures and tables

|   |    |
|---|----|
| Figure 1 : organization chart .....   | 9  |
| Figure 2 : total received unusual transactions (2003 – 2005) .....  | 12 |
| Figure 3: unusual transactions from local banks .....   | 14 |
| Figure 4 : unusual transactions from international banks .....  | 15 |
| Figure 5 : unusual transactions from trust companies.....   | 16 |
| Figure 6 : unusual transactions from money remitters.....   | 17 |
| Figure 7 : unusual transactions from customs.....   | 19 |
| Figure 8 : unusual transactions from casinos.....   | 21 |
| Figure 9: unusual transactions from credit unions.....  | 22 |
| Figure 10 : unusual transactions from savings banks.....  | 23 |
| Figure 11 : relation objective and subjective indicators.....   | 24 |
| Figure 12 : suspicious reports (2004 - 2005).....   | 28 |
| Figure 13 : suspicious reports in % (2004 - 2005).....  | 29 |
| Figure 14 : incoming requests from the prosecutor office .....  | 30 |
|   |    |
| Table 1 : total received unusual transactions (2003 - 2005 ) .....  | 12 |
| Table 2 : total unusual transactions (2004 - 2005) per sector .....   | 13 |
| Table 3 : indicators used by local banks .....  | 14 |
| Table 4 : indicators used by international banks .....  | 15 |
| Table 5 : indicators used by trust companies .....  | 16 |
| Table 6: indicators used by money remitters .....   | 18 |
| Table 7: indicators used by customs .....   | 20 |
| Table 8 : indicators used by casinos.....   | 21 |
| Table 9 : indicators used by credit unions.....   | 22 |
| Table 10 : indicators used by savings banks .....   | 23 |
| Table 11 : unusual transactions by other reporting entities (2004 - 2005).....  | 24 |
| Table 12 : average reporting days per reporter type.....  | 26 |
| Table 13 : unusual transactions per reporter type .....   | 26 |
| Table 14 : unusual transactions per reporter type in (in ANG).....  | 27 |
| Table 15 : overview of the unusual transactions report distributed over the reporting entities .....                      | 27 |
| Table 16: suspicious transactions disseminated to the public prosecutor office dispersed over the reporting entities..... | 29 |
| Table 17 : signed MoUs .....  | 48 |