Gibraltar Financial Intelligence Unit

HM Government of Gibraltar

QUARTERLY STATISTICS REPORT

A breakdown of Suspicious Activity Reports:

Q2 - 2022

Contents

Introduction

This report presents the recorded data of Suspicious Activity Reports (SARs) received by the Gibraltar Financial Intelligence Unit (GFIU) for the second quarter of 2022. 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

722 SARs were received in Q2 2022. This represents a 29.5% decrease compared to Q2 2021 (1,024) and 18.9% decrease compared to Q1 2022 (890). These decreases can mostly be attributed to a decrease in the number of SARS from the Gaming sector, principally the sector's main reporting firm.

The first six months of 2022 has seen a slight decrease of 3.4% in the number SARs received (1,612) when compared to the same period for 2021 (1,669).

722 SARs
received by the
GFIU in Q2 2022

82%
received from the
Gaming Sector 2022

8.5%
received from the
DLT Sector

**Top two
suspected criminalities
reported in 2022**
Money Laundering
Fraud

1,024 SARs
received by the
GFIU in Q2 2021

83%
received from the
Gaming Sector 2021

11%
received from the
DLT Sector

**Top two
suspected criminalities
reported in 2021**
Money Laundering
Fraud

The two main reporting sectors remain the Gaming and DLT sectors. The number of Gaming SARs decreased for the second quarter in a row, although in terms of percentage of SARs received remains along similar levels during the last 12 months. The number of SARs received from the DLT sector for the first six months of 2022 has seen a decrease of 36.5% compared to the same period for 2021. Figures for Q1 and Q2 show similar numbers of DLT SARs received.

13 SARs were received from the Money Value Transfer('MVTS') sector in Q2, the majority with a Gibraltar nexus. In numbers of SARs submitted in Q2, MVTS and TCSPs were the joint fourth reporting sectors.

Number of Monthly SARs
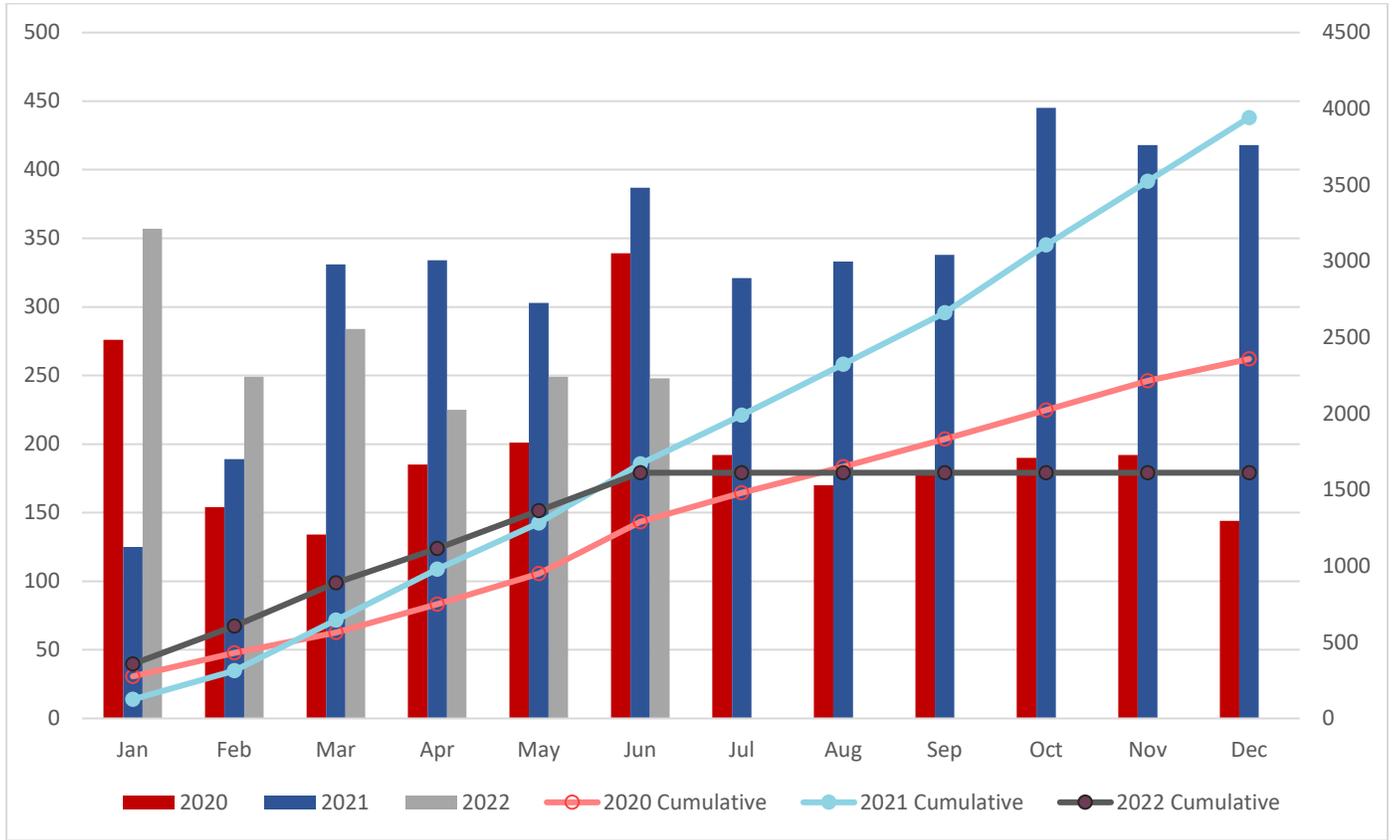
	2020		2021		2022	
Month	Number	Cumulative	Number	Cumulative	Number	Cumulative
January	276	276	125	125	357	357
February	154	430	189	314	249	606
March	134	564	331	645	284	890
April	185	749	334	979	225	1,115
May	201	950	303	1,282	249	1,364
June	339	1,289	387	1,669	248	1,612
July	192	1,481	321	1,990		
August	170	1,651	333	2,323		
September	181	1,832	338	2,661		
October	190	2,022	445	3,106		
November	192	2,214	418	3,524		
December	144	2,358	418	3,942		

GIBRALTAR RELATED SARS

There were 35 SARs reported in Q2 2022 where the suspected criminality occurred or had a Gibraltar nexus. This is 4.8% of the total SARs reported. In 2021 77 SARs (2%) related to Gibraltar were reported.

The majority of these SARs related to the Banking, MVTS and TCSPs sectors.

A detailed overview of the suspected criminalities per sector is included below for comparative purposes and to provide information as to the dominant sectors and suspected criminalities reported.
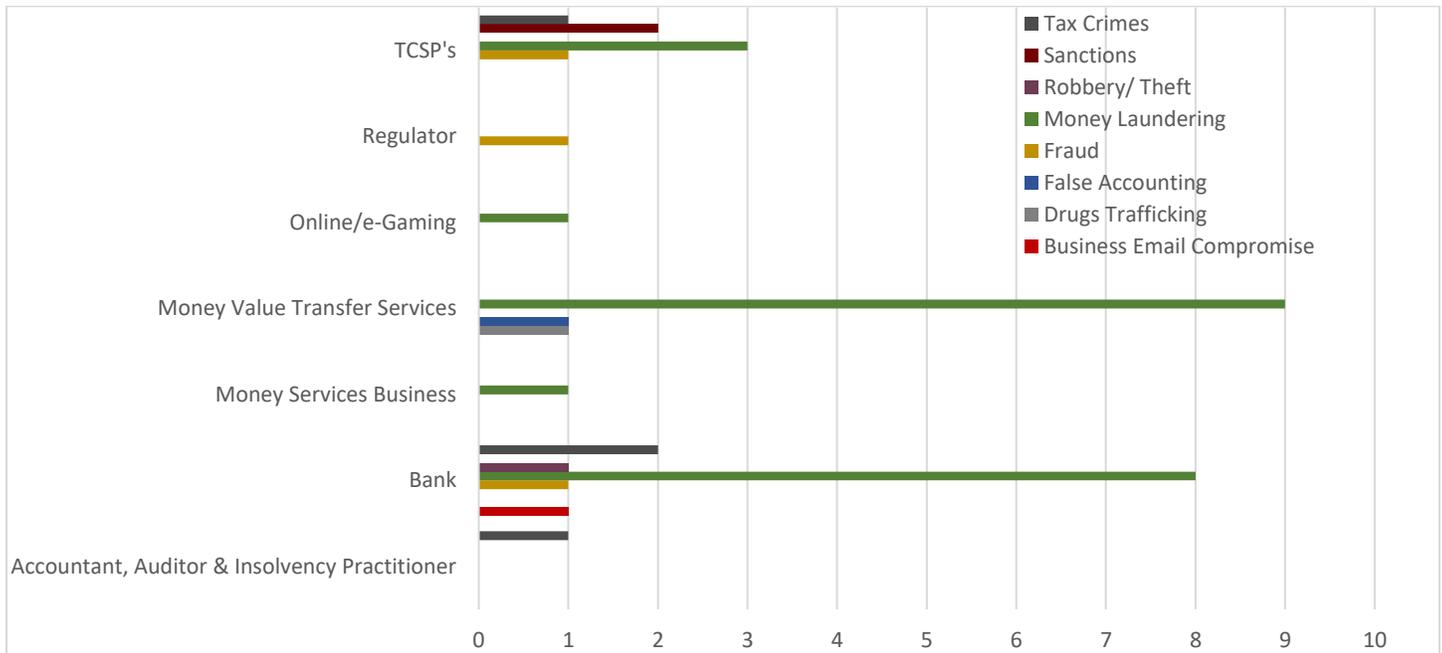
Suspected Criminality	Business Email Compromise	Drugs Trafficking	False Accounting	Fraud	Money Laundering	Robbery/ Theft	Sanctions	Tax Crimes	Total
Accountant, Auditor & Insolvency Practitioner	0	0	0	0	0	0	0	1	1
Bank	1	0	0	1	8	1	0	2	13
Money Services Business	0	0	0	0	1	0	0	0	1
Money Value Transfer Services	0	1	1	0	9	0	0	0	11
Online/e-Gaming	0	0	0	0	1	0	0	0	1
Regulator	0	0	0	1	0	0	0	0	1
TCSP's	0	0	0	1	3	0	2	1	7
Total	**1**	**1**	**1**	**3**	**22**	**1**	**2**	**4**	**35**

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Findings by Reporting Sector

The following data shows the SARs submitted by reporting sectors. Gaming remains the top reporting sector with 82% of SARs submitted in Q2 2022. In Q2 one Gaming company submitted 416 SARs which represents 70% (Q1 72%) of all SARs submitted for the Gaming sector. This firm submitted 58% (Q1 60%) of all SARs for Q2.

In Q2 one DLT firm submitted 49 SARs which represents 71% (Q1 78%) of all DLT SARs submitted for the DLT sector.
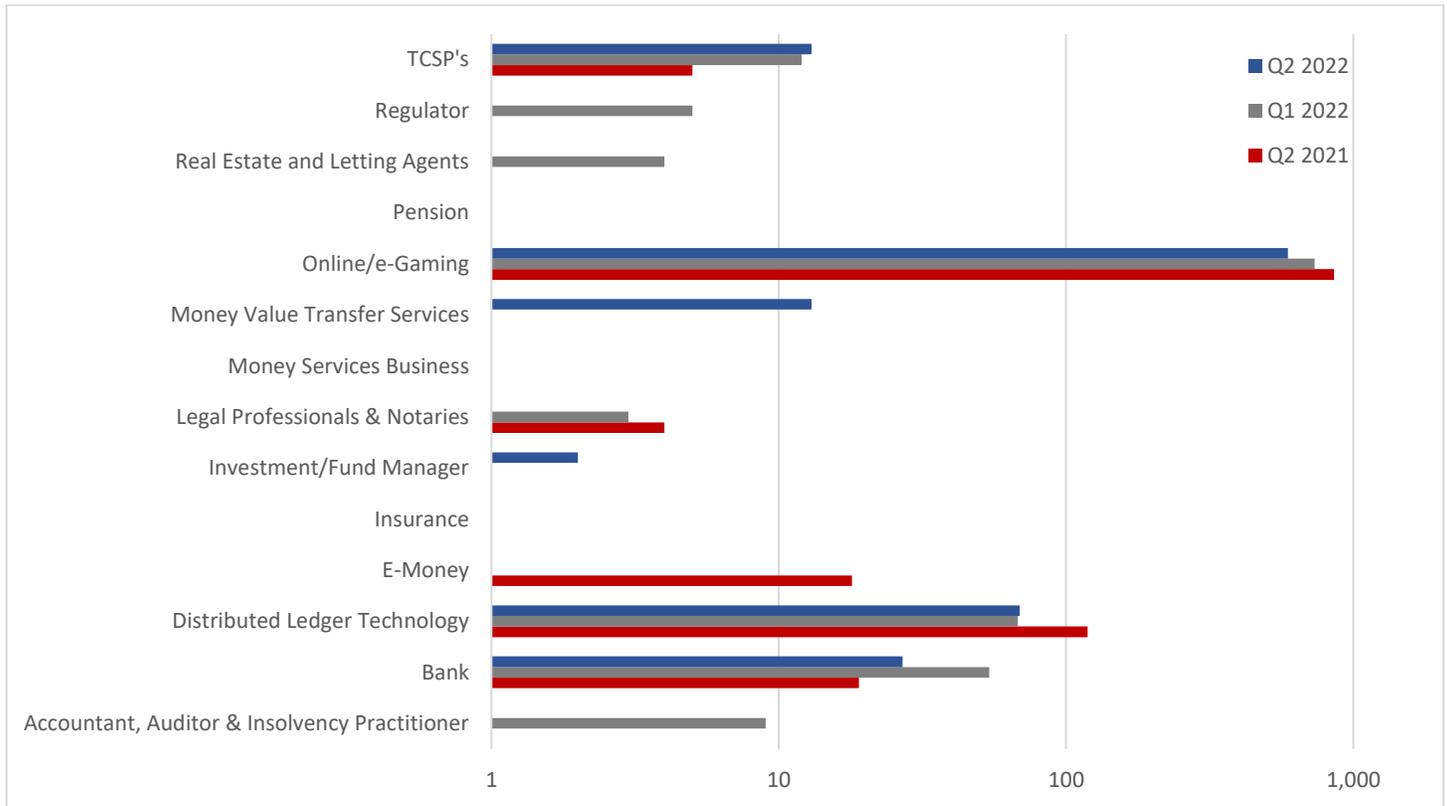
In order to bring firms reporting sectors into alignment with the GFSC classification, a firm previously classified as an E-Money firm has now been reclassified as a Bank for 2022. As a result, 17 SARs, (Q1, 14 & Q2, 3) are now shown under the Banking sector in this report.

Number of reporting firms for each reporting sector which submitted a SAR in 2022.

Sector	Q1	Q2	2022
Accountant, Auditor & Insolvency Practitioner	3	1	4
Bank	8	8	10
Distributed Ledger Technology	7	7	8
E-Money	0	1	1
Insurance	1	1	1
Investment/Fund Manager	0	2	2
Legal Professionals & Notaries	3	1	3
Money Services Business	0	1	1
Money Value Transfer Services	0	1	1
Online/e-Gaming	15	13	15
Real Estate and Letting Agents	2	0	2
TCSP's	7	7	12
Total	46	43	60

The graph and table below shows a comparison between Q2 for 2021 and Q1 and Q2 for 2022.

Sector	Q2 2021		Q1 2022		Q2 2022		2022	
	SARs	%	SARs	%	SARs	%	SARs	%
Accountant, Auditor & Insolvency Practitioner	0	0.00%	9	1.01%	1	0.14%	10	0.62%
Bank	19	1.86%	54	6.07%	27	3.74%	81	5.02%
Distributed Ledger Technology	119	11.62%	68	7.64%	69	9.56%	137	8.50%
E-Money	18	1.76%	0	0.00%	1	0.14%	1	0.06%
Insurance	0	0.00%	1	0.11%	1	0.14%	2	0.12%
Investment/Fund Manager	1	0.10%	0	0.00%	2	0.28%	2	0.12%
Legal Professionals & Notaries	4	0.39%	3	0.34%	1	0.14%	4	0.25%
Money Services Business	0	0.00%	0	0.00%	1	0.14%	1	0.06%
Money Value Transfer Services	0	0.00%	0	0.00%	13	1.80%	13	0.81%
Online/e-Gaming	857	83.69%	734	82.47%	592	81.99%	1,326	82.26%
Pension	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Real Estate and Letting Agents	1	0.10%	4	0.45%	0	0.00%	4	0.25%
Regulator	0	0.00%	5	0.56%	1	0.14%	6	0.37%
TCSP's	5	0.49%	12	1.35%	13	1.80%	25	1.55%
Total	1,024	100.00%	890	100.00%	722	100.00%	1,612	100.00%

The table below shows all sectors showing suspected criminality vs grounds for suspicion for Q2 in 2022.

Grounds	Business Email Compromise	Corruption	Drugs Trafficking	False Accounting	Fraud	Money Laundering	Organised Crime	Robbery/ Theft	Sanctions	Sexual Exploitation	Tax Crimes	Terrorism	Forgery	Total
Adverse Due Diligence	0	0	1	0	1	51	0	0	0	0	0	1	0	54
Adverse open source	0	0	2	0	11	195	1	1	0	0	1	0	0	211
Business Email Compromise	1	0	0	0	0	0	0	0	0	0	0	0	0	1
Cash (deposits/withdrawals)	0	0	0	0	0	5	0	0	0	0	0	0	0	5
COVID benefit fraud	0	0	0	0	1	1	0	0	0	0	0	0	0	2
Defensive	0	0	0	0	2	18	0	1	1	0	0	1	0	23
Exposure to Child Abuse material	0	0	0	0	0	0	0	0	0	3	0	0	0	3
Exposure to Sanctioned Countries	0	0	0	0	0	0	0	0	2	0	0	0	0	2
Forged Documents	0	0	0	0	3	8	0	0	0	0	0	0	2	13
Fraud/ False Accounting/ Forgery	0	0	0	0	20	19	0	0	0	0	0	0	2	41
High Risk Business Activity (Transfers to High Risk Jurisdictions)	0	0	0	0	0	1	0	0	0	0	0	0	0	1
Highly Transactional	0	0	0	1	0	3	0	0	0	0	0	0	0	4
Inadequate/failure to provide due diligence	0	0	0	0	2	243	0	0	0	0	0	0	0	245
Layering	0	0	0	0	0	2	0	0	0	0	0	0	0	2
LEA / DPA Request or Enquiry	0	0	0	0	0	9	0	0	0	0	0	0	0	9
Minimal or very low risk gambling activity	0	0	0	0	0	16	0	0	0	0	0	0	0	16
Other	0	0	0	0	1	6	0	0	0	0	0	0	0	7
Payment to the dark web	0	0	6	0	35	7	0	0	0	1	0	0	0	49
Sanctions -Designated Person	0	1	0	0	0	0	0	0	3	0	0	0	0	4
Scam/phishing/hacked emails	0	0	0	0	2	2	0	0	0	0	0	0	0	4
Stolen Identity	0	0	0	0	5	2	0	0	0	0	0	0	0	7
Tax Evasion / Avoidance	0	0	0	0	0	8	0	0	0	0	7	0	0	15
Transaction Support Inadequate / Not Provided	0	0	0	0	0	1	0	0	0	0	0	0	0	1
Unlicensed Business	0	0	0	0	0	1	0	0	0	0	0	0	0	1
Unusual Forex	0	0	0	0	0	2	0	0	0	0	0	0	0	2
Total	1	1	9	1	83	600	1	2	6	4	8	2	4	722

The following statistics cover reporting sectors commensurate with the risks identified within the 2020 National Risk Assessment.

Gaming

Grounds	Fraud	Money Laundering	Robbery/ Theft	Sanctions	Tax Crimes	Terrorism	Total
Adverse Due Diligence	1	46	0	0	0	1	48
Adverse open source	9	184	1	0	0	0	194
Cash (deposits/withdrawals)	0	3	0	0	0	0	3
COVID benefit fraud	1	1	0	0	0	0	2
Defensive	2	15	0	0	0	1	18
Forged Documents	3	7	0	0	0	0	10
Fraud/ False Accounting/ Forgery	12	13	0	0	0	0	25
Inadequate/failure to provide due diligence	1	242	0	0	0	0	243
Layering	0	2	0	0	0	0	2
LEA / DPA Request or Enquiry	0	9	0	0	0	0	9
Minimal or very low risk gambling activity	0	16	0	0	0	0	16
Other	0	4	0	0	0	0	4
Sanctions -Designated Person	0	0	0	1	0	0	1
Stolen Identity	5	2	0	0	0	0	7
Tax Evasion / Avoidance	0	8	0	0	1	0	9
Transaction Support Inadequate / Not Provided	0	1	0	0	0	0	1
Total	**34**	**553**	**1**	**1**	**1**	**2**	**592**

Distributed Ledger Technology

Grounds	Corruption	Drugs Trafficking	Fraud	Money Laundering	Sanctions	Sexual Exploitation	Forgery	Total
Adverse Due Diligence	0	0	0	1	0	0	0	1
Adverse open source	0	0	0	2	0	0	0	2
Defensive	0	0	0	0	1	0	0	1
Exposure to Child Abuse material	0	0	0	0	0	3	0	3
Forged Documents	0	0	0	1	0	0	0	1
Fraud/ False Accounting/ Forgery	0	0	4	4	0	0	1	9
Other	0	0	0	1	0	0	0	1
Payment to the dark web	0	6	35	6	0	1	0	48
Sanctions -Designated Person	1	0	0	0	0	0	0	1
Scam/phishing/hacked emails	0	0	0	1	0	0	0	1
Unlicensed Business	0	0	0	1	0	0	0	1
Total	**1**	**6**	**39**	**17**	**1**	**4**	**1**	**69**

TCSPs

Grounds	Drugs Trafficking	Fraud	Money Laundering	Sanctions	Tax Crimes	Total
Adverse Due Diligence	0	0	2	0	0	2
Adverse open source	1	0	3	0	0	4
Defensive	0	0	1	0	0	1
Exposure to Sanctioned Countries	0	0	0	2	0	2
Fraud/ False Accounting/ Forgery	0	1	0	0	0	1
Sanctions -Designated Person	0	0	0	1	0	1
Scam/phishing/hacked emails	0	1	0	0	0	1
Tax Evasion / Avoidance	0	0	0	0	1	1
Total	**1**	**2**	**6**	**3**	**1**	**13**

Banks

Grounds	Business Email Compromise	Fraud	Money Laundering	Robbery/ Theft	Tax Crimes	Forgery	Total
Adverse open source	0	1	4	0	1	0	6
Business Email Compromise	1	0	0	0	0	0	1
Cash (deposits/withdrawals)	0	0	1	0	0	0	1
Defensive	0	0	2	1	0	0	3
Forged Documents	0	0	0	0	0	2	2
Fraud/ False Accounting/ Forgery	0	3	2	0	0	1	6
Inadequate/failure to provide due diligence	0	1	0	0	0	0	1
Other	0	0	1	0	0	0	1
Payment to the dark web	0	0	1	0	0	0	1
Scam/phishing/hacked emails	0	1	1	0	0	0	2
Tax Evasion / Avoidance	0	0	0	0	3	0	3
Total	**1**	**6**	**12**	**1**	**4**	**3**	**27**

Money Transfer Value Service

Grounds	Drugs Trafficking	False Accounting	Money Laundering	Total
Adverse Due Diligence	1	0	2	3
Adverse open source	0	0	1	1
Cash (deposits/withdrawals)	0	0	1	1
High Risk Business Activity (Transfers to High Risk Jurisdictions)	0	0	1	1
Highly Transactional	0	1	3	4
Inadequate/failure to provide due diligence	0	0	1	1
Unusual Forex	0	0	2	2
Total	**1**	**1**	**11**	**13**

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Criminality vs Sector

The table below shows the criminality reported by different reporting sectors in Q2 2022.

Suspected Criminality	Accountant, Auditor & Insolvency Practitioner	Bank	Distributed Ledger Technology	E-Money	Insurance	Investment/Fund Manager	Legal Professionals & Notaries	Money Services Business	Money Value Transfer Services	Online/e-Gaming	Regulator	TCSP's	Total
Business Email Compromise	0	1	0	0	0	0	0	0	0	0	0	0	1
Corruption	0	0	1	0	0	0	0	0	0	0	0	0	1
Drugs Trafficking	0	0	6	0	0	0	1	0	1	0	0	1	9
False Accounting	0	0	0	0	0	0	0	0	1	0	0	0	1
Forgery	0	3	1	0	0	0	0	0	0	0	0	0	4
Fraud	0	6	39	0	0	1	0	0	0	34	1	2	83
Money Laundering	0	12	17	0	0	0	0	1	11	553	0	6	600
Organised Crime	0	0	0	0	0	1	0	0	0	0	0	0	1
Robbery/ Theft	0	1	0	0	0	0	0	0	0	1	0	0	2
Sanctions	0	0	1	0	1	0	0	0	0	1	0	3	6
Sexual Exploitation	0	0	4	0	0	0	0	0	0	0	0	0	4
Tax Crimes	1	4	0	1	0	0	0	0	0	1	0	1	8
Terrorism	0	0	0	0	0	0	0	0	0	2	0	0	2
Total	**1**	**27**	**69**	**1**	**1**	**2**	**1**	**1**	**13**	**592**	**1**	**13**	**722**

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 Q2 of 2022, and therefore continues to trend with the previous quarters, and previous years.

The graph and table below shows a comparison between Q2 for 2021 and Q1 and Q2 for 2022.
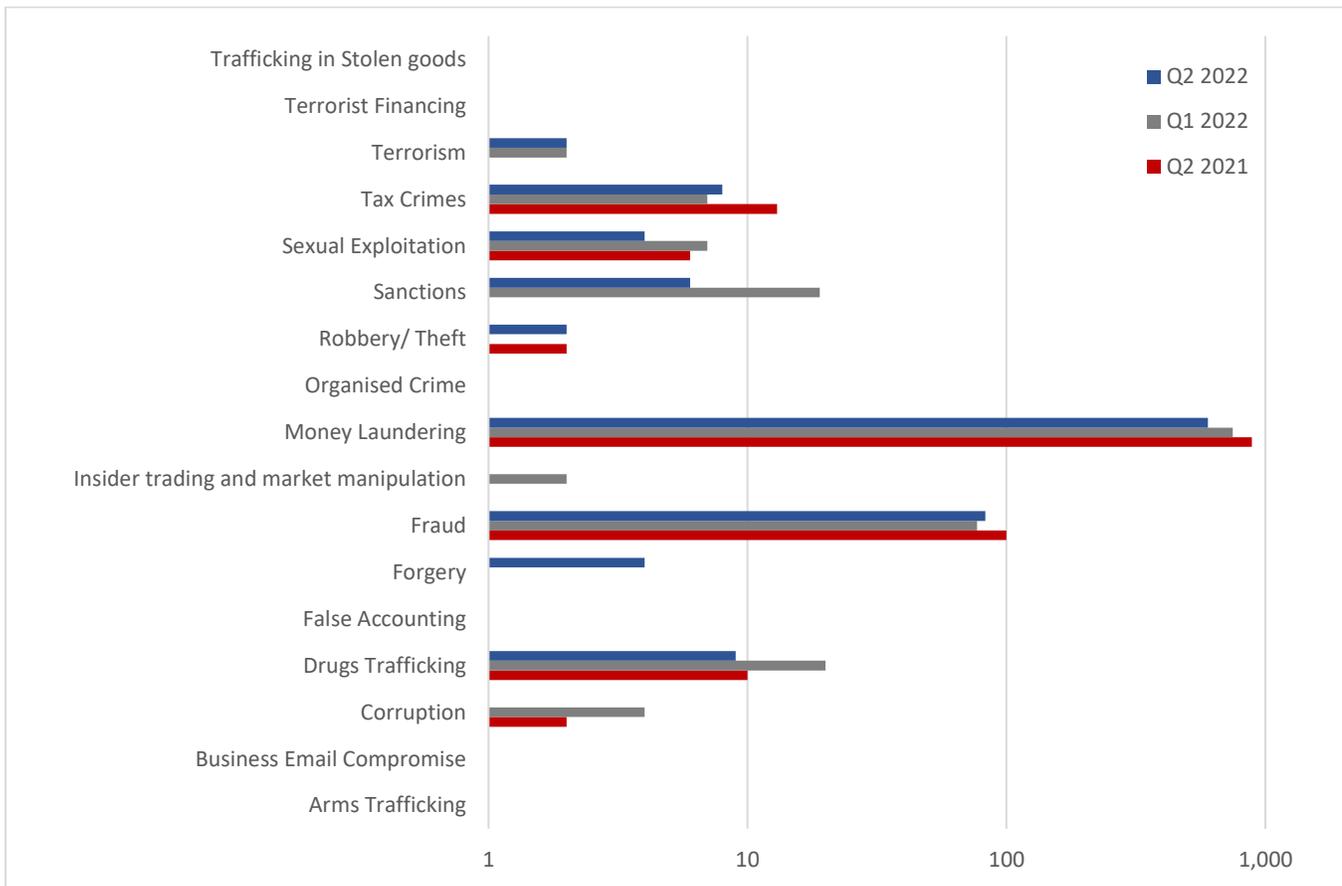
Suspected Criminality	Q2 2021		Q1 2022		Q2 2022		2022	
	SARs	%	SARs	%	SARs	%	SARs	%
Arms Trafficking	1	0.10%	0	0.00%	0	0.00%	0	0.00%
Business Email Compromise	0	0.00%	0	0.00%	1	0.14%	1	0.06%
Corruption	2	0.20%	4	0.45%	1	0.14%	5	0.31%
Drugs Trafficking	10	0.98%	20	2.25%	9	1.25%	29	1.80%
False Accounting	1	0.10%	1	0.11%	1	0.14%	2	0.12%
Forgery	0	0.00%	1	0.11%	4	0.55%	5	0.31%
Fraud	100	9.77%	77	8.65%	83	11.50%	160	9.93%
Insider trading and market manipulation	0	0.00%	2	0.22%	0	0.00%	2	0.12%
Money Laundering	887	86.62%	749	84.16%	600	83.10%	1,349	83.68%
Organised Crime	0	0.00%	0	0.00%	1	0.14%	1	0.06%
Robbery/ Theft	2	0.20%	1	0.11%	2	0.28%	3	0.19%
Sanctions	0	0.00%	19	2.13%	6	0.83%	25	1.55%
Sexual Exploitation	6	0.59%	7	0.79%	4	0.55%	11	0.68%
Tax Crimes	13	1.27%	7	0.79%	8	1.11%	15	0.93%
Terrorism	0	0.00%	2	0.22%	2	0.28%	4	0.25%
Terrorist Financing	1	0.10%	0	0.00%	0	0.00%	0	0.00%
Trafficking in Stolen goods	1	0.10%	0	0.00%	0	0.00%	0	0.00%
Total	**1,024**	**100.00%**	**890**	**100.00%**	**722**	**100.00%**	**1,612**	**100.00%**

Findings by Grounds for Suspicion

During the operational analysis of the SAR, the GFIU will record the principal grounds for suspicion. The GFIU's internal Themis system is designed to select one 'grounds for suspicion' category which provides a more comprehensive presentation of statistical data in line with international standards of recording data.

The graph and table below shows a comparison between Q2 for 2021 and Q1 and Q2 for 2022.
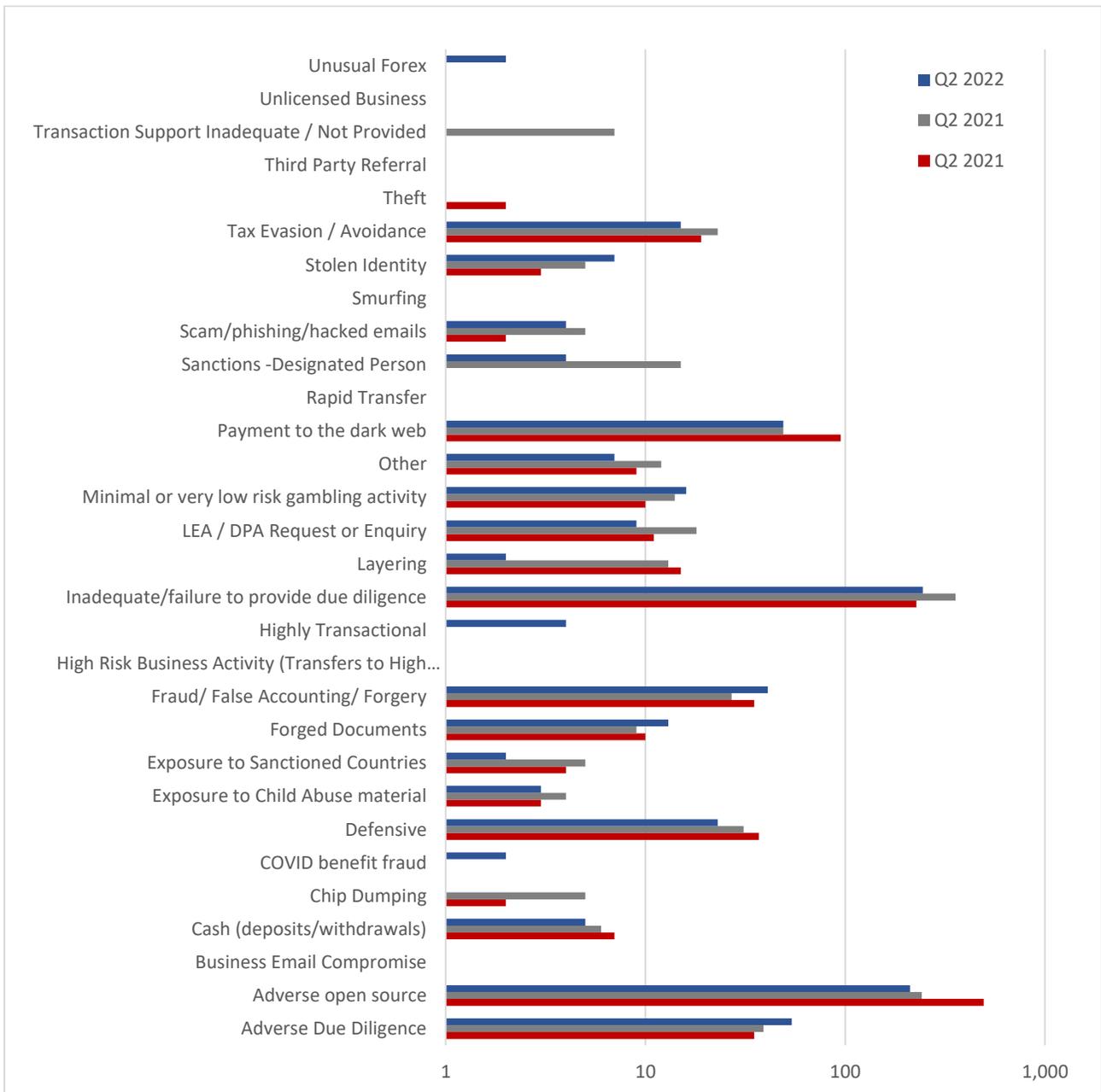
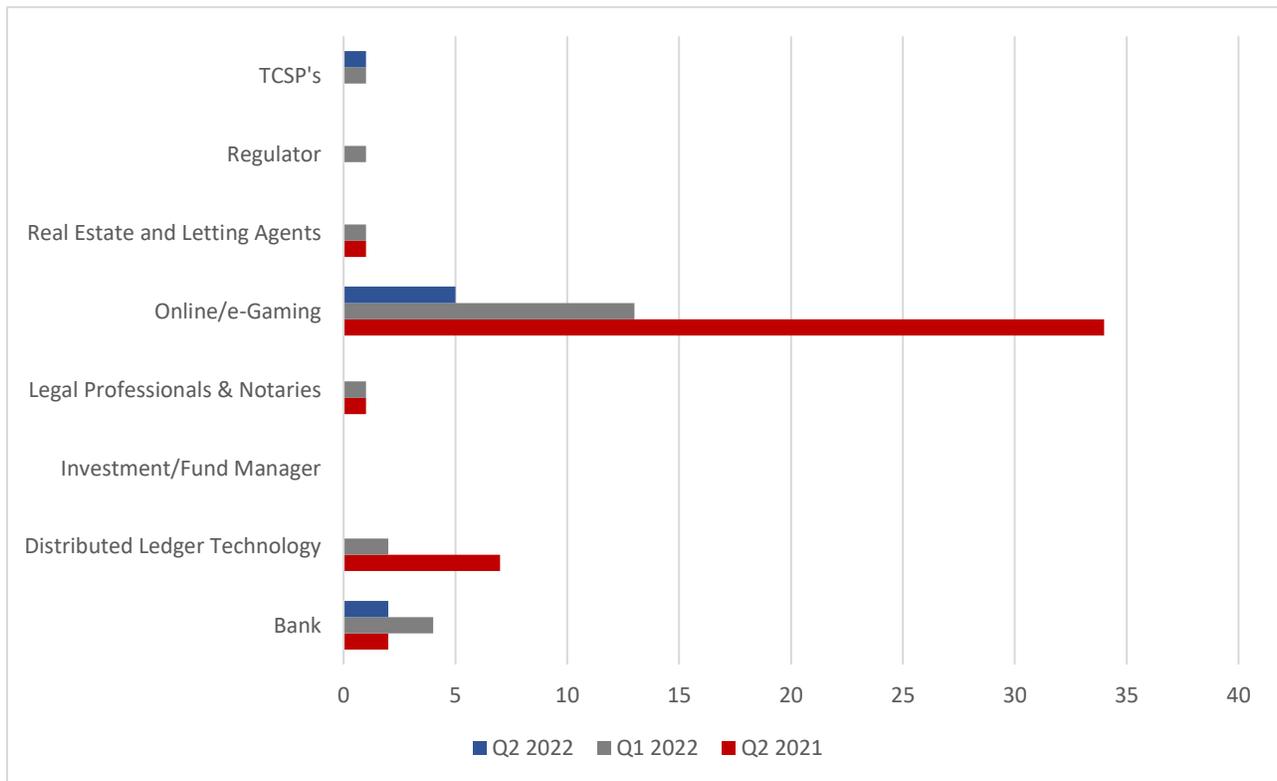|	Q2 2021		Q1 2022					
Grounds for Suspicion	SARs	%	SARs	%	SARs	%	SARs	%
Adverse Due Diligence	35	3.42%	39	4.38%	54	7.48%	93	5.77%
Adverse open source	494	48.24%	242	27.19%	211	29.22%	453	28.10%
Business Email Compromise	0	0.00%	0	0.00%	1	0.14%	1	0.06%
Cash (deposits/withdrawals)	7	0.68%	6	0.67%	5	0.69%	11	0.68%
Chip Dumping	2	0.20%	5	0.56%	0	0.00%	5	0.31%
COVID benefit fraud	0	0.00%	1	0.11%	2	0.28%	3	0.19%
Defensive	37	3.61%	31	3.48%	23	3.19%	54	3.35%
Exposure to Child Abuse material	3	0.29%	4	0.45%	3	0.42%	7	0.43%
Exposure to Sanctioned Countries	4	0.39%	5	0.56%	2	0.28%	7	0.43%
Forged Documents	10	0.98%	9	1.01%	13	1.80%	22	1.36%
Fraud/ False Accounting/ Forgery	35	3.42%	27	3.03%	41	5.68%	68	4.22%
High Risk Business Activity (Transfers to High Risk Jurisdictions)	0	0.00%	0	0.00%	1	0.14%	1	0.06%
Highly Transactional	1	0.10%	1	0.11%	4	0.55%	5	0.31%
Inadequate/failure to provide due diligence	227	22.17%	357	40.11%	245	33.93%	602	37.34%
Layering	15	1.46%	13	1.46%	2	0.28%	15	0.93%
LEA / DPA Request or Enquiry	11	1.07%	18	2.02%	9	1.25%	27	1.67%
Minimal or very low risk gambling activity	10	0.98%	14	1.57%	16	2.22%	30	1.86%
Other	9	0.88%	12	1.35%	7	0.97%	19	1.18%
Payment to the dark web	95	9.28%	49	5.51%	49	6.79%	98	6.08%
Rapid Transfer	1	0.10%	0	0.00%	0	0.00%	0	0.00%
Sanctions -Designated Person	0	0.00%	15	1.69%	4	0.55%	19	1.18%
Scam/phishing/hacked emails	2	0.20%	5	0.56%	4	0.55%	9	0.56%
Smurfing	1	0.10%	0	0.00%	0	0.00%	0	0.00%
Stolen Identity	3	0.29%	5	0.56%	7	0.97%	12	0.74%
Tax Evasion / Avoidance	19	1.86%	23	2.58%	15	2.08%	38	2.36%
Theft	2	0.20%	1	0.11%	0	0.00%	1	0.06%
Third Party Referral	1	0.10%	0	0.00%	0	0.00%	0	0.00%
Transaction Support Inadequate / Not Provided	0	0.00%	7	0.79%	1	0.14%	8	0.50%
Unlicensed Business	0	0.00%	1	0.11%	1	0.14%	2	0.12%
Unusual Forex	0	0.00%	0	0.00%	2	0.28%	2	0.12%
Total	1,024	100.00%	890	100.00%	722	100.00%	1,612	100.00%

Findings of Defensive SARs

A defensive SAR arises where an activity or a transaction is deemed not suspicious upon further analysis by the GFIU. SARs are required to be filed when a transaction or an attempted transaction involve funds derived from any illegal activity, or when the transaction has no apparent lawful purpose.

It is important to note that the volume of additional workload created by these defensive SARs where no suspicious activity is contained within have a negative impact on the GFIU, and may even lead to a dilution on the value of SAR reporting as a whole.

Measures taken by GFIU to reduce the number of defensive SARs has been very successful showing a decrease over the last few years. This reduction can be said to have increased the quality of SARs submitted with actionable intelligence and may be attributed to the GFIU's feedback system and outreach program.

The graph and table below shows a comparison between Q2 for 2021 and Q1 and Q2 for 2022.

Sector	Q2 2021	Q1 2022	Q2 2022	2022
Bank	2	4	2	6
Distributed Ledger Technology	7	2	0	2
Investment/Fund Manager	0	0	0	0
Legal Professionals & Notaries	1	1	0	1
Online/e-Gaming	34	13	5	18
Real Estate and Letting Agents	1	1	0	1
Regulator	0	1	0	1
TCSP's	0	1	1	2
Total	**45**	**23**	**8**	**31**

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

Note that Consents/ DAMLs received in Q2 2022, include some requests received for SARs submitted prior to Q2 2022.
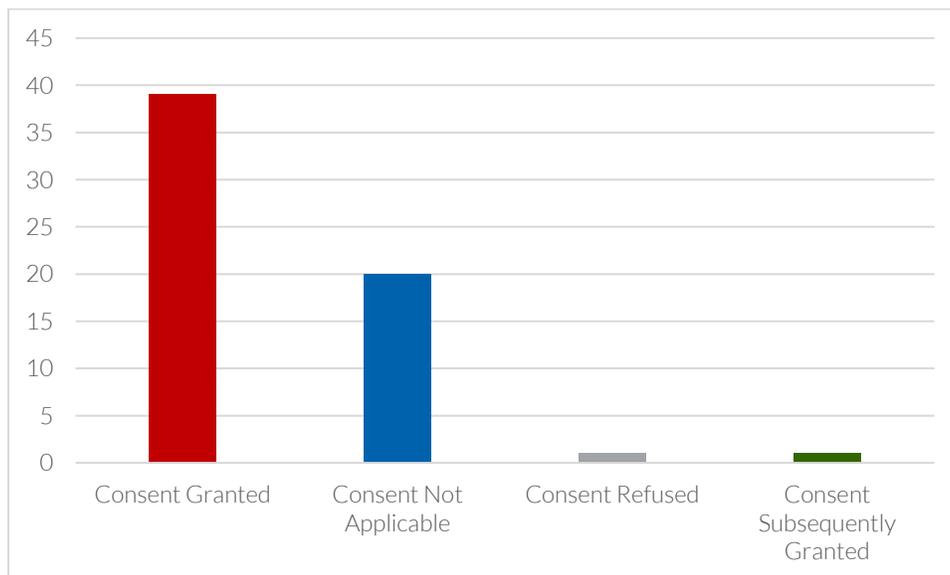
Status	Number
Consent Granted	39
Consent Not Applicable	20
Consent Refused	1
Consent Subsequently Granted	1
Total	**61**

Findings of PEPs

A **politically exposed person** (PEP) is defined in the Proceeds of Crime Act 2015 as a natural person who is or has been entrusted with prominent public functions. PEPs are a high-risk category for which reporting entities and are required to apply EDD measures. The table below shows the number of SARs in which PEPs were identified during Q2 for 2022. 1.7 % of SARs received related to PEPs.

The graph and table below shows a comparison between Q2 for 2021 and Q1 and Q2 for 2022.
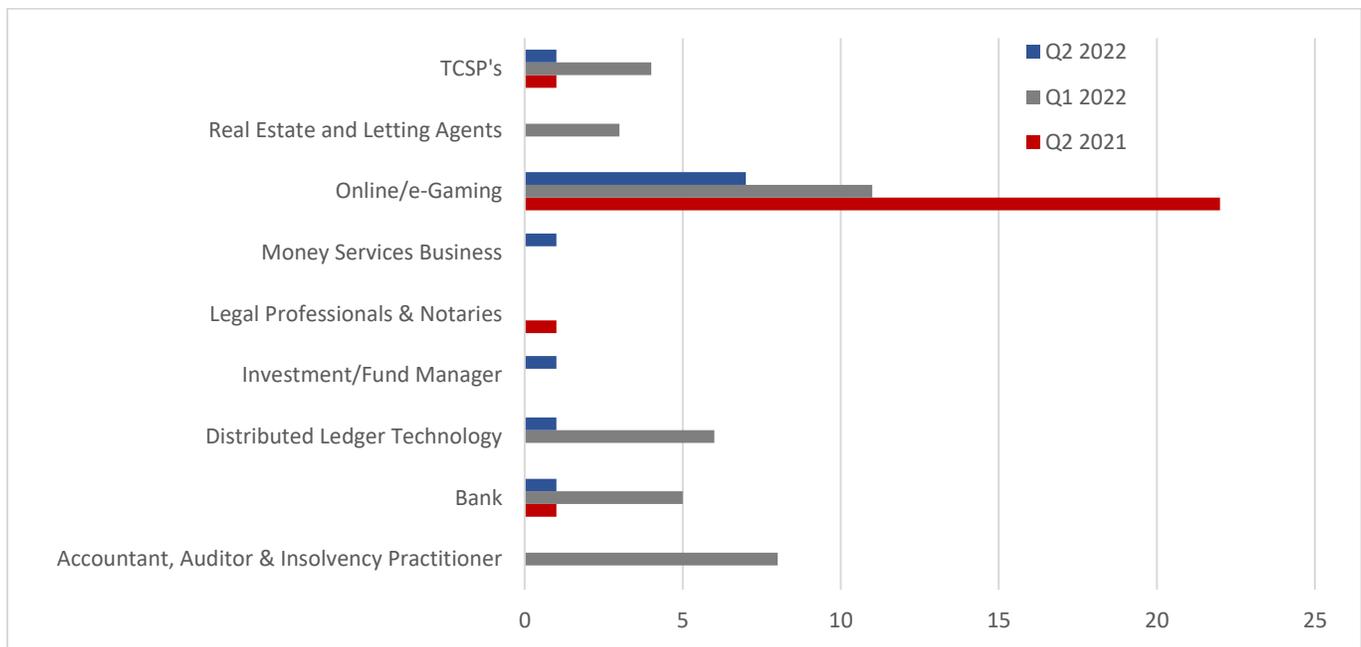
Sector	Q2 2021	Q1 2022	Q2 2022	2022
Accountant, Auditor & Insolvency Practitioner	0	8	0	8
Bank	1	5	1	6
Distributed Ledger Technology	0	6	1	7
Investment/Fund Manager	0	0	1	1
Legal Professionals & Notaries	1	0	0	0
Money Services Business	0	0	1	1
Online/e-Gaming	22	11	7	18
Real Estate and Letting Agents	0	3	0	3
TCSP's	1	4	1	5
Total	**25**	**37**	**12**	**49**

# Findings of Countries Where Criminality Took Place

The suspected criminality of SARs disclosed was recorded alongside the country where the crime was deemed to have occurred. The United Kingdom, Canada, Gibraltar and Ireland remain in the top five countries for Q2 2022 where criminality occurred. The top 5 countries account for 86% of SARs received in Q2 2022.

From the top five countries, apart from Gibraltar, the majority of SARs reported related to the Gambling sector.

As was the case for Q1 2022, Russia continues in the top 10 of SARs reported due to UK and EU sanctions.

When the Gaming sector is excluded from the statistics, Gibraltar is the first country where the suspected criminality occurred,

The graph and table below show the top 10 countries where the suspected criminality occurred.
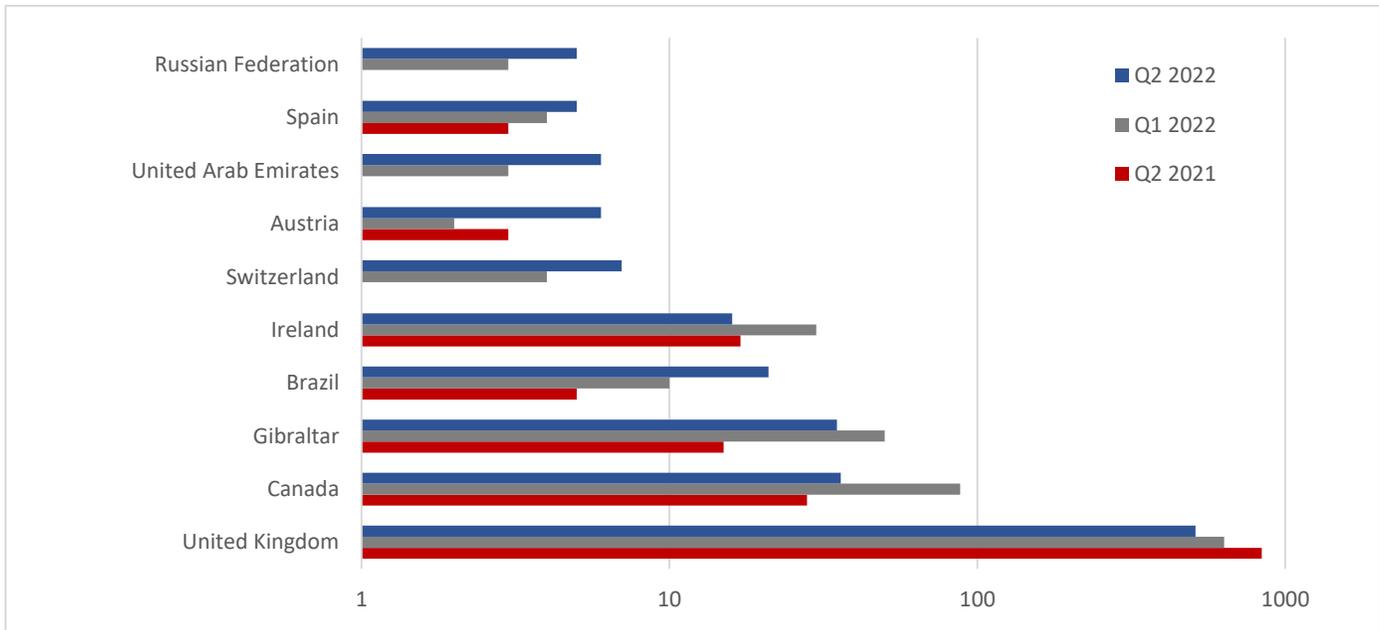
Country	Q2 2021	Q1 2022	Q2 2022
United Kingdom	840	633	511
Canada	28	88	36
Gibraltar	15	50	35
Brazil	5	10	21
Ireland	17	30	16
Switzerland	0	4	7
Austria	3	2	6
United Arab Emirates	0	3	6
Spain	3	4	5
Russian Federation	1	3	5

The graph and table below show the top ten countries where the suspected criminality occurred, when the Gaming sector is excluded.
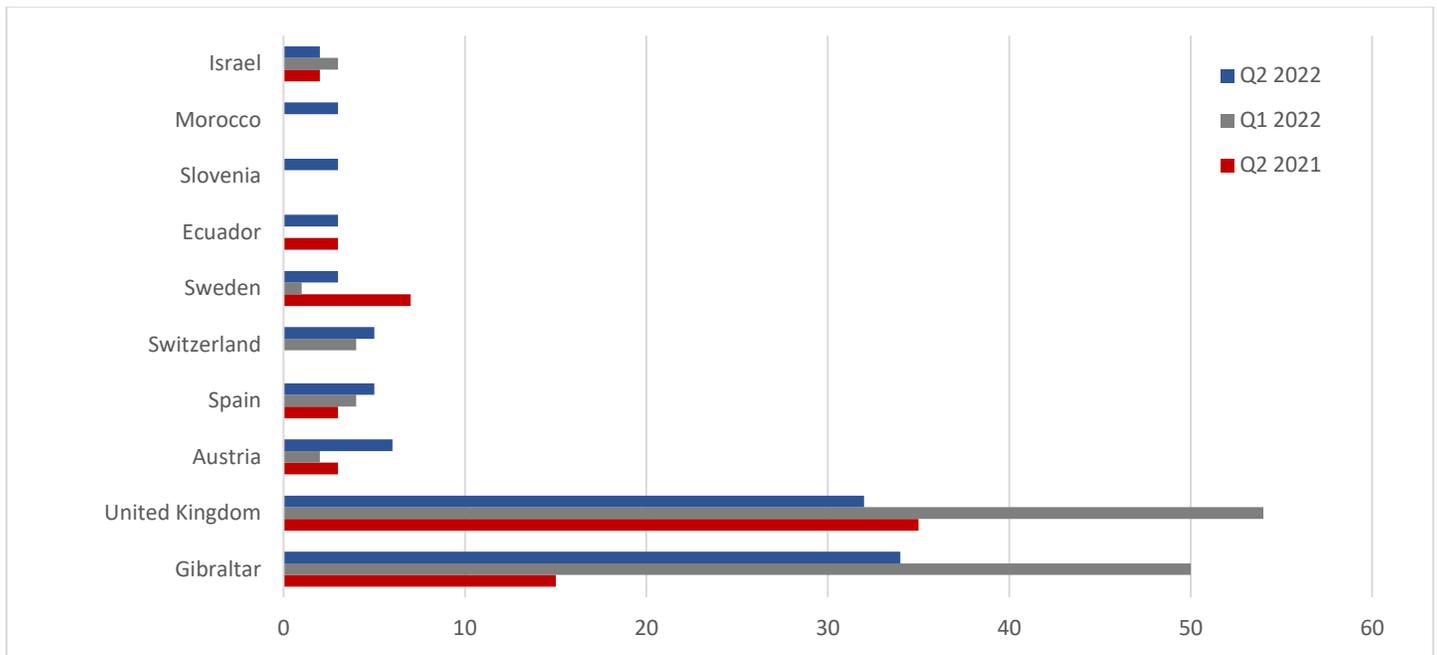
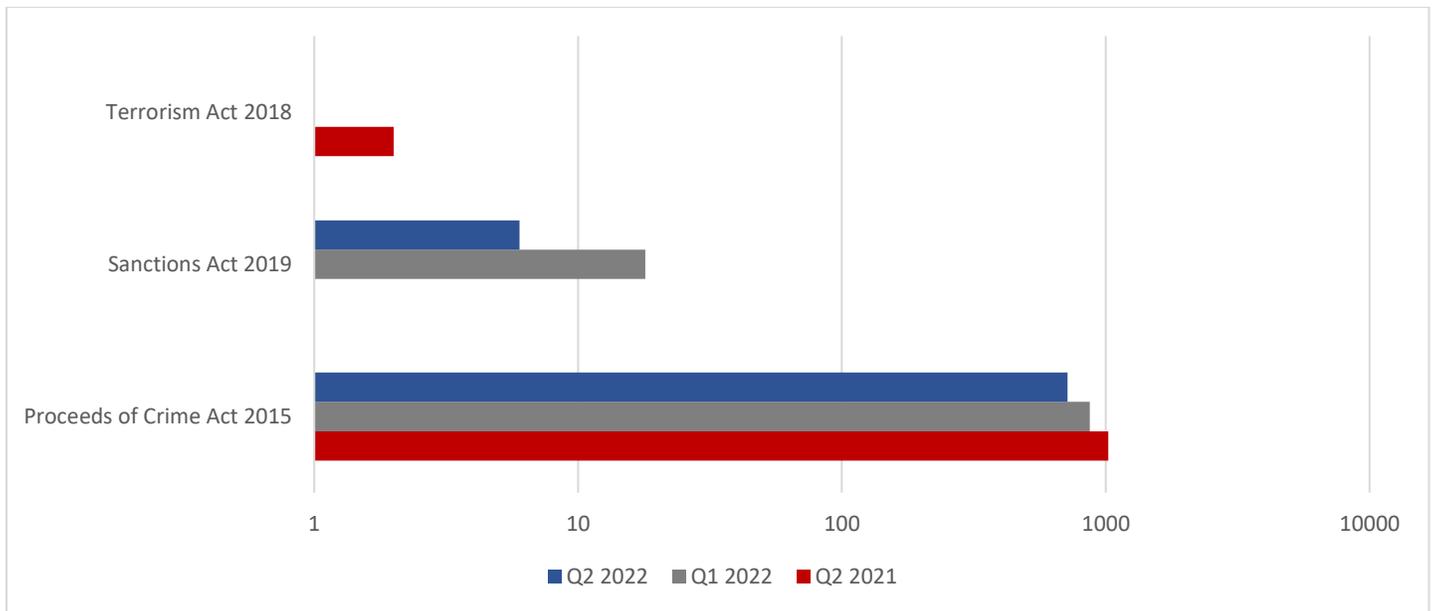| Country	Q2 2021	Q1 2022	Q2 2022
Gibraltar	15	50	34
United Kingdom	35	54	32
Austria	3	2	6
Spain	3	4	5
Switzerland	0	4	5
Sweden	7	1	3
Ecuador	3	0	3
Slovenia	0	0	3
Morocco	0	0	3
Israel	2	3	2

Submission of SARs by Legislation

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

The increase in submissions under the Sanctions Act 2019 is attributed to the UK and EU sanctions imposed on Russia.

The graph and table below shows a comparison between Q2 for 2021 and Q1 and Q2 for 2022.

Legislation	Q2 2021	Q1 2022	Q2 2022	2022
Proceeds of Crime Act 2015	1022	871	716	1587
Sanctions Act 2019	0	18	6	24
Terrorism Act 2018	2	1	0	1
Total	**1024**	**890**	**722**	**1612**

Outcomes

The outcome records what action if any the GFIU has undertaken in respect of a SAR. A large proportion of SARs were dual disclosed both to the GFIU and a foreign FIU. Although most of these SARs do not require any further action by the GFIU, the processing and analysis of each disclosure requires a balance of resources and prioritisation that allows for the effectiveness and efficiency of demand on the GFIU.

At the time of publishing this report a number of SARs were being processed. These included a number for which further information had been requested

The table below shows the outcomes per sector for Q2 in 2022.

Outcomes	Disclosure of no value	Intelligence disseminated	In Progress	No Action Taken / Dual Disclosed	No Action Taken / No Dissemination
Accountant, Auditor & Insolvency Practitioner	0	0	1	0	0
Bank	0	5	15	0	7
Distributed Ledger Technology	0	29	22	1	17
E-Money	0	1	0	0	0
Insurance	0	0	0	0	1
Investment/Fund Manager	0	0	1	0	1
Legal Professionals & Notaries	0	1	0	0	0
Money Services Business	0	1	0	0	0
Online/e-Gaming	1	48	34	485	24
Regulator	0	0	1	0	0
TCSP's	0	3	6	0	4
Money Value Transfer Services	0	2	8	0	3
Total	**1**	**90**	**88**	**486**	**57**

Findings of the 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 four criteria. Supporting documentation necessary for the GFIU must be submitted with the SAR for the effective analysis of the information disclosed.

- There must be a suspicion of a predicate offence, money laundering or terrorist financing within the information disclosed to GFIU.
- All background information contained in the SAR on the relationship with the reported subject must be described in sufficient detail.
- The content of the information must be clear and complete.

The feedback provided in a quarter will also include feedback of SARs submitted prior to that quarter which had not previously received feedback.

98% of the SARs to which feedback was provided in Q2 2022 met standards.

The table provides the number of SARs per sector and whether they met standards, for feedback provided in Q2 2022.

Sector	Below Standard	Met Standard	Total
Bank	2	10	12
Distributed Ledger Technology	4	43	47
E-Money	0	1	1
Insurance	1	0	1
Investment/Fund Manager	1	0	1
Legal Professionals & Notaries	0	1	1
Money Services Business	0	1	1
Money Value Transfer Services	0	4	4
Online/e-Gaming	6	551	557
TCSP's	0	7	7
Total	**14**	**618**	**632**

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