

## **QUARTERLY STATISTICS REPORT**

A breakdown of Suspicious Activity Reports:

Q2 - 2023

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# Introduction

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

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

## METHODOLOGY

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

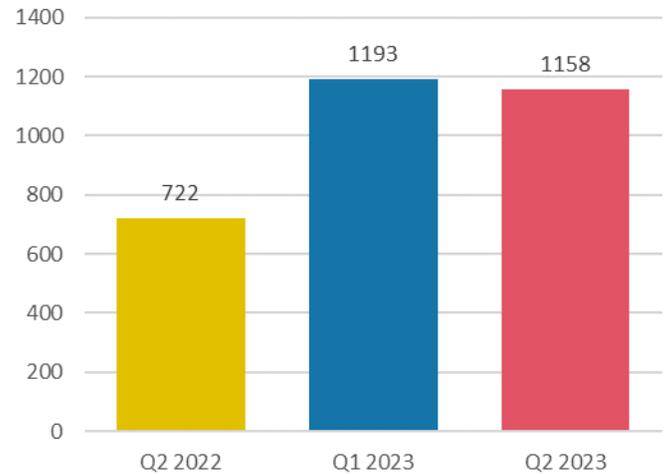
**Note:** A Suspicious Activity Report is a report submitted to the GFIU, with information related to money laundering, terrorist financing and proliferation financing. Also known as, a 'disclosure', it can refer to any information acquired by the Reporter in the course of business deemed suspicious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

Additional resources are available at [www.gfiu.gov.gi](http://www.gfiu.gov.gi).

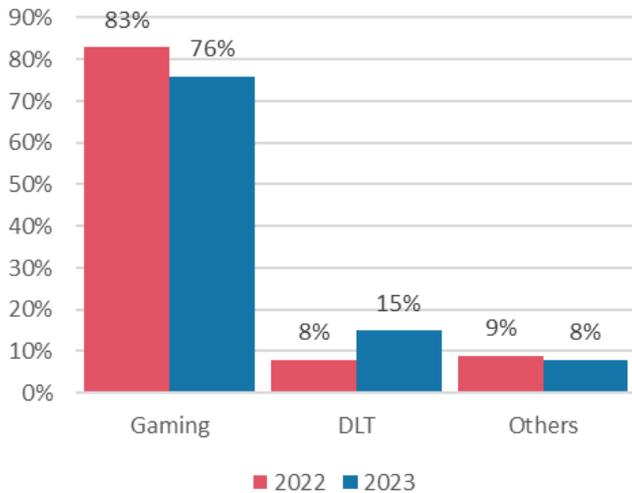
# Key Statistics

1,158 SARs were received in Q2 2023. This represents a 60% increase compared to Q2 2022 (722) and 3% decrease compared to Q1 2023 (1,193). The increase can mainly be attributed to a significant increase in the number of SARs received from the DLT sector and the number of SARs received from the Gaming Sector.

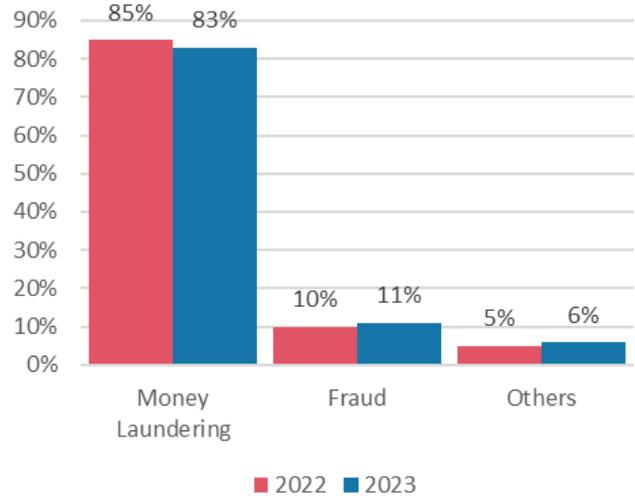
No. of SARs



Reporting Sectors



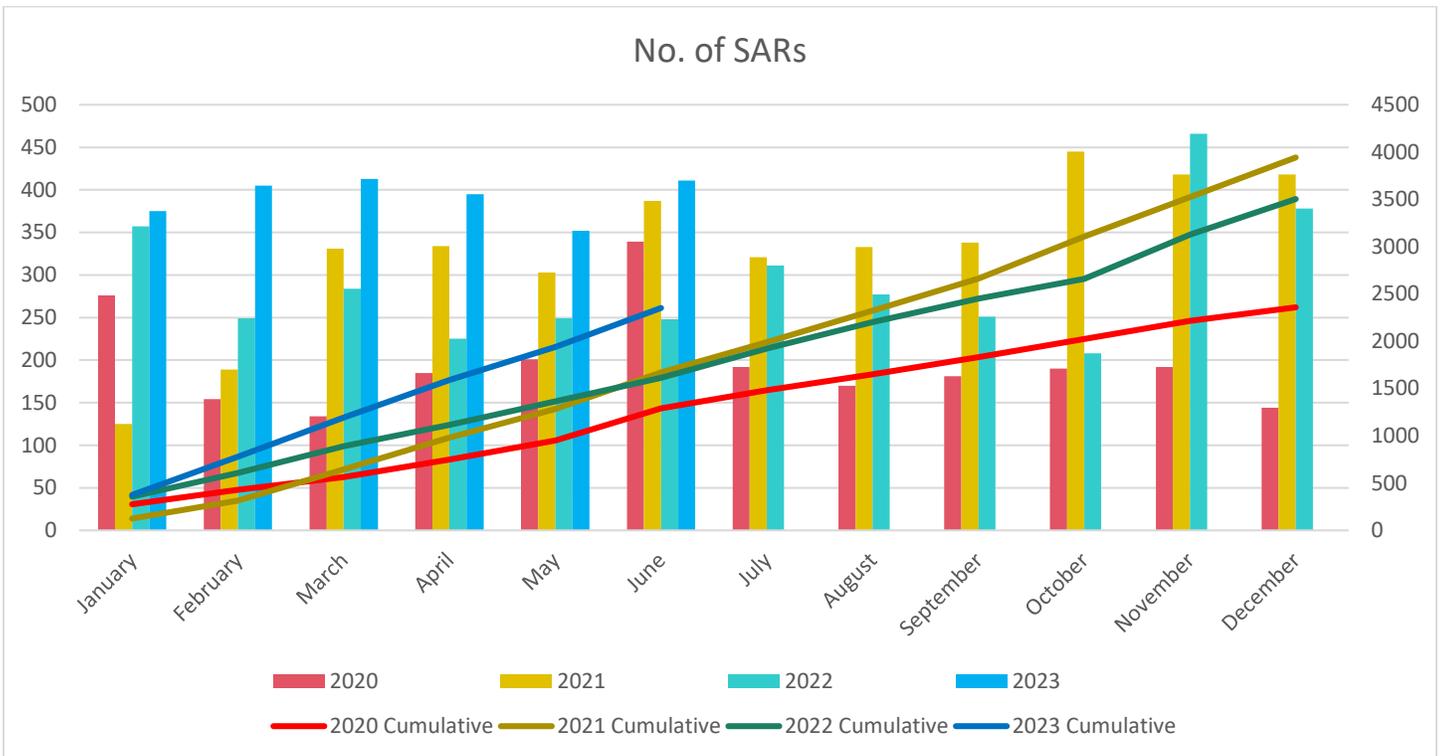
Principal Suspected Criminality



The two main reporting sectors for Q2 2023 remain the Gaming and DLT sectors, with the DLT sector having seen a significant increase in reporting compared to 2022.

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

# Number of Monthly SARs



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

# Findings by Reporting Sector

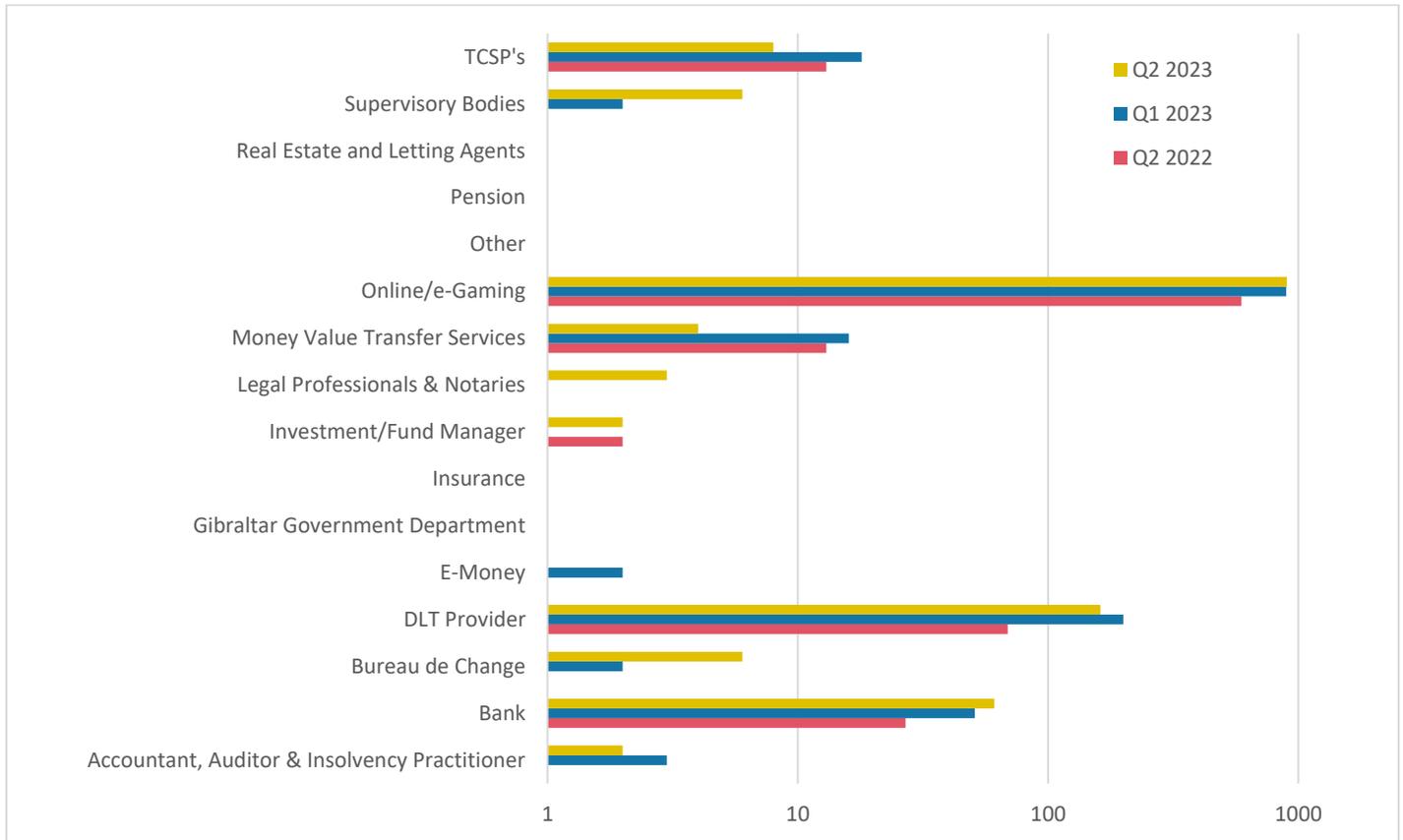
The following data shows the SARs submitted by reporting sectors. Gaming remains the top reporting sector with 78% of SARs submitted in Q2 2023. In this quarter, one Gaming firm submitted 526 SARs which represented 58% of all SARs submitted for the Gaming sector. This firm submitted 45% of all SARs for the quarter.

50 reporting entities submitted SARs during Q2 2023.

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

Sector	2021	2022	2023
Accountant, Auditor & Insolvency Practitioner	3	6	5
Bank	8	10	10
Bureau de Change	1	3	3
DLT Provider	6	12	9
E-Money	3	1	1
Gibraltar Government Department	0	0	1
Insurance	1	3	2
Investment/Fund Manager	5	3	2
Legal Professionals & Notaries	6	7	2
Money Value Transfer Services	0	1	1
Online/e-Gaming	17	18	18
Other	0	0	1
Pension	1	1	1
Real Estate and Letting Agents	3	3	1
TCSP's	11	17	13
<b>Total</b>	<b>65</b>	<b>85</b>	<b>69</b>

The graph and table below shows a comparison between Q2 for 2022 and Q1 and Q2 for 2023.



Sector	Q2 2022		Q1 2023		Q2 2023	
	SARs	%	SARs	%	SARs	%
Accountant, Auditor & Insolvency Practitioner	1	0.14%	3	0.25%	2	0.17%
Bank	27	3.74%	51	4.27%	61	5.27%
Bureau de Change	1	0.14%	2	0.17%	6	0.52%
DLT Provider	69	9.56%	200	16.76%	162	13.99%
E-Money	1	0.14%	2	0.17%	1	0.09%
Gibraltar Government Department	0	0.00%	1	0.08%	0	0.00%
Insurance	1	0.14%	1	0.08%	1	0.09%
Investment/Fund Manager	2	0.28%	0	0.00%	2	0.17%
Legal Professionals & Notaries	1	0.14%	1	0.08%	3	0.26%
Money Value Transfer Services	13	1.80%	16	1.34%	4	0.35%
Online/e-Gaming	592	81.99%	895	75.02%	900	77.72%
Other	0	0.00%	0	0.00%	1	0.09%
Pension	0	0.00%	1	0.08%	0	0.00%
Real Estate and Letting Agents	0	0.00%	0	0.00%	1	0.09%
Supervisory Bodies	1	0.14%	2	0.17%	6	0.52%
TCSP's	13	1.80%	18	1.51%	8	0.69%
<b>Total</b>	<b>722</b>	<b>100.00%</b>	<b>1193</b>	<b>100.00%</b>	<b>1158</b>	<b>100.00%</b>

# Criminality vs Sector

The table below shows the criminality reported by different reporting sectors in Q2 2023.

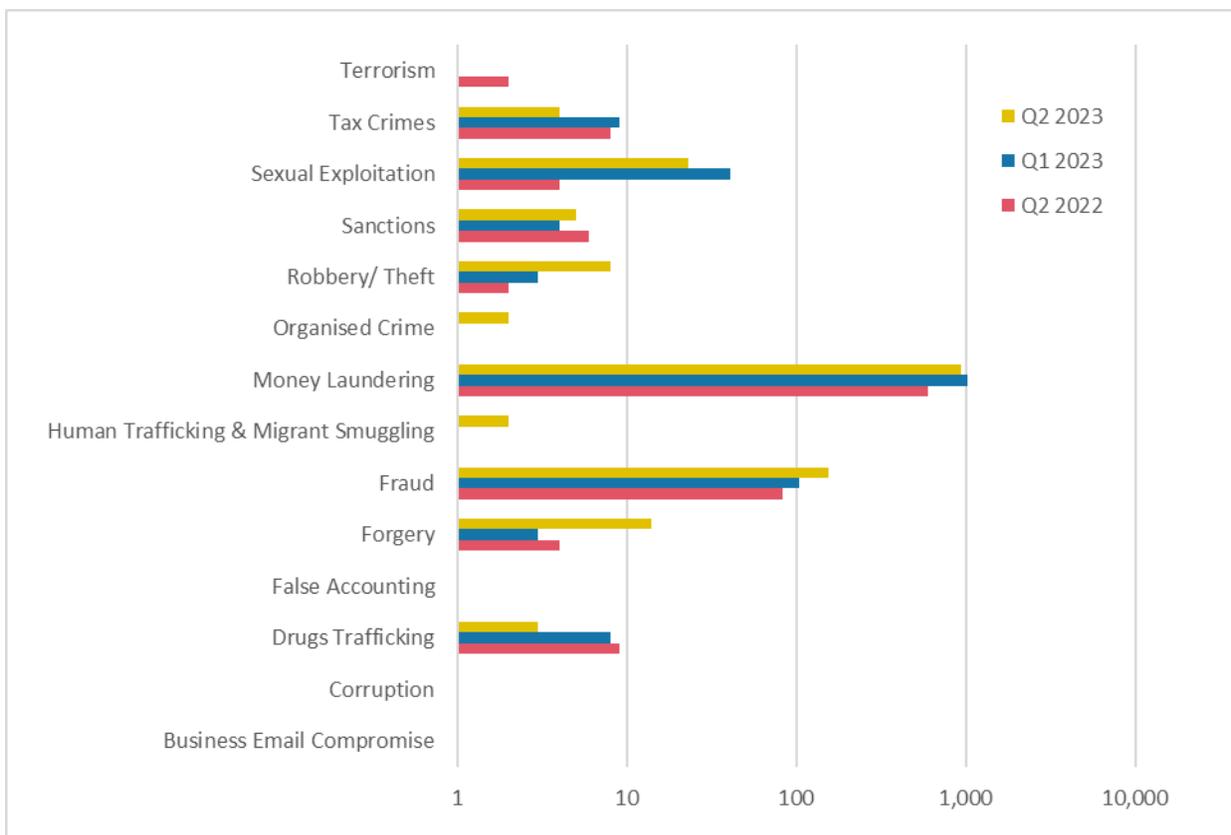
Suspected Criminality	Accountant, Auditor & Insolvency Practitioner	Bank	Bureau de Change	DLT Provider	E-Money	Insurance	Investment/Fund Manager	Legal Professionals & Notaries	Money Value Transfer Services	Online/e-Gaming	Other	Real Estate and Letting Agents	Regulator	TCSP's	Total
Corruption	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Drugs Trafficking	0	1	0	2	0	0	0	0	0	0	0	0	0	0	3
False Accounting	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
Forgery	0	8	0	4	0	0	0	0	0	2	0	0	0	0	14
Fraud	0	25	0	64	1	1	2	0	0	62	0	0	0	1	156
Human Trafficking & Migrant Smuggling	0	2	0	0	0	0	0	0	0	0	0	0	0	0	2
Money Laundering	1	15	6	67	0	0	0	2	4	833	1	1	6	3	939
Organised Crime	0	1	0	1	0	0	0	0	0	0	0	0	0	0	2
Robbery/ Theft	1	4	0	0	0	0	0	0	0	3	0	0	0	0	8
Sanctions	0	2	0	1	0	0	0	1	0	0	0	0	0	1	5
Sexual Exploitation	0	0	0	23	0	0	0	0	0	0	0	0	0	0	23
Tax Crimes	0	2	0	0	0	0	0	0	0	0	0	0	0	2	4
<b>Total</b>	<b>2</b>	<b>61</b>	<b>6</b>	<b>162</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>900</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>8</b>	<b>1158</b>

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# 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 2023, and therefore continues the trend with the previous quarters, and years.

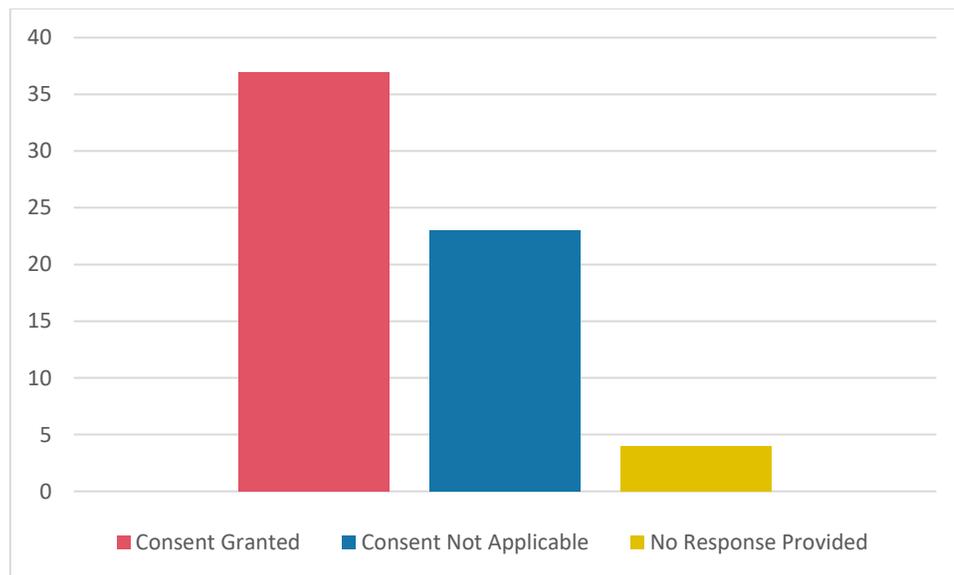
The graph and table below shows a comparison between Q2 for 2022 and Q1 and Q2 for 2023.



Suspected Criminality	Q2 2022		Q1 2023		Q2 2023	
	SARs	%	SARs	%	SARs	%
Business Email Compromise	1	0.14%	0	0.00%	0	0.00%
Corruption	1	0.14%	0	0.00%	1	0.09%
Drugs Trafficking	9	1.25%	8	0.67%	3	0.26%
False Accounting	1	0.14%	0	0.00%	1	0.09%
Forgery	4	0.55%	3	0.25%	14	1.21%
Fraud	83	11.50%	105	8.80%	156	13.47%
Human Trafficking & Migrant Smuggling	0	0.00%	0	0.00%	2	0.17%
Money Laundering	600	83.10%	1,020	85.50%	939	81.09%
Organised Crime	1	0.14%	0	0.00%	2	0.17%
Robbery/ Theft	2	0.28%	3	0.25%	8	0.69%
Sanctions	6	0.83%	4	0.34%	5	0.43%
Sexual Exploitation	4	0.55%	41	3.44%	23	1.99%
Tax Crimes	8	1.11%	9	0.75%	4	0.35%
Terrorism	2	0.28%	0	0.00%	0	0.00%
<b>Total</b>	<b>722</b>	<b>100.00%</b>	<b>1,193</b>	<b>100.00%</b>	<b>1,158</b>	<b>100.00%</b>

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

Note that Consents/ DAMLs received in Q2 2023, include some requests received for SARs submitted prior to Q2 2023.



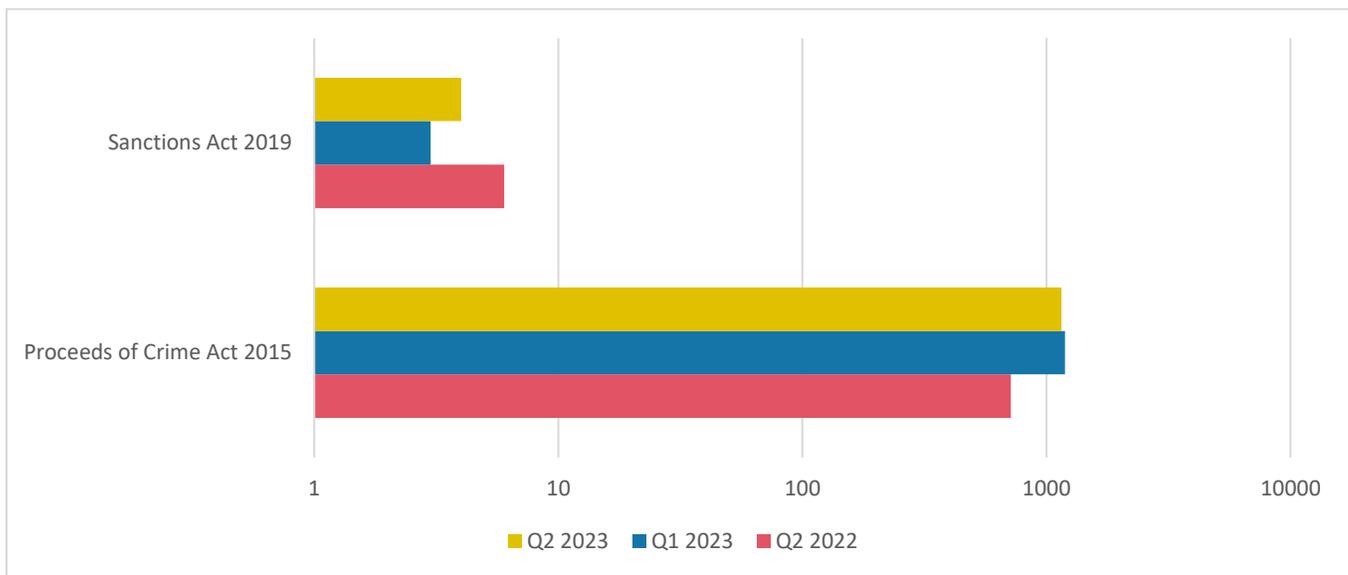
Sector	Consent Granted	Consent Not Applicable	No Response Provided	Total
Accountant, Auditor & Insolvency Practitioner	0	1	0	1
Bank	9	4	0	13
DLT Provider	3	8	0	11
Legal Professionals & Notaries	0	1	0	1
Online/e-Gaming	24	7	4	35
Real Estate and Letting Agents	0	1	0	1
TCSP's	1	1	0	2
<b>Total</b>	<b>37</b>	<b>23</b>	<b>4</b>	<b>64</b>

# Submission of SARs by Legislation

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

The submissions under the Sanctions Act 2019 are mainly attributed to the UK and EU sanctions imposed on Russia.

The graph and table below shows a comparison between Q2 for 2022 and Q1 and Q2 for 2023.



Legislation	Q2 2022	Q1 2023	Q2 2023
Proceeds of Crime Act 2015	716	1190	1154
Sanctions Act 2019	6	3	4
<b>Total</b>	<b>722</b>	<b>1193</b>	<b>1158</b>

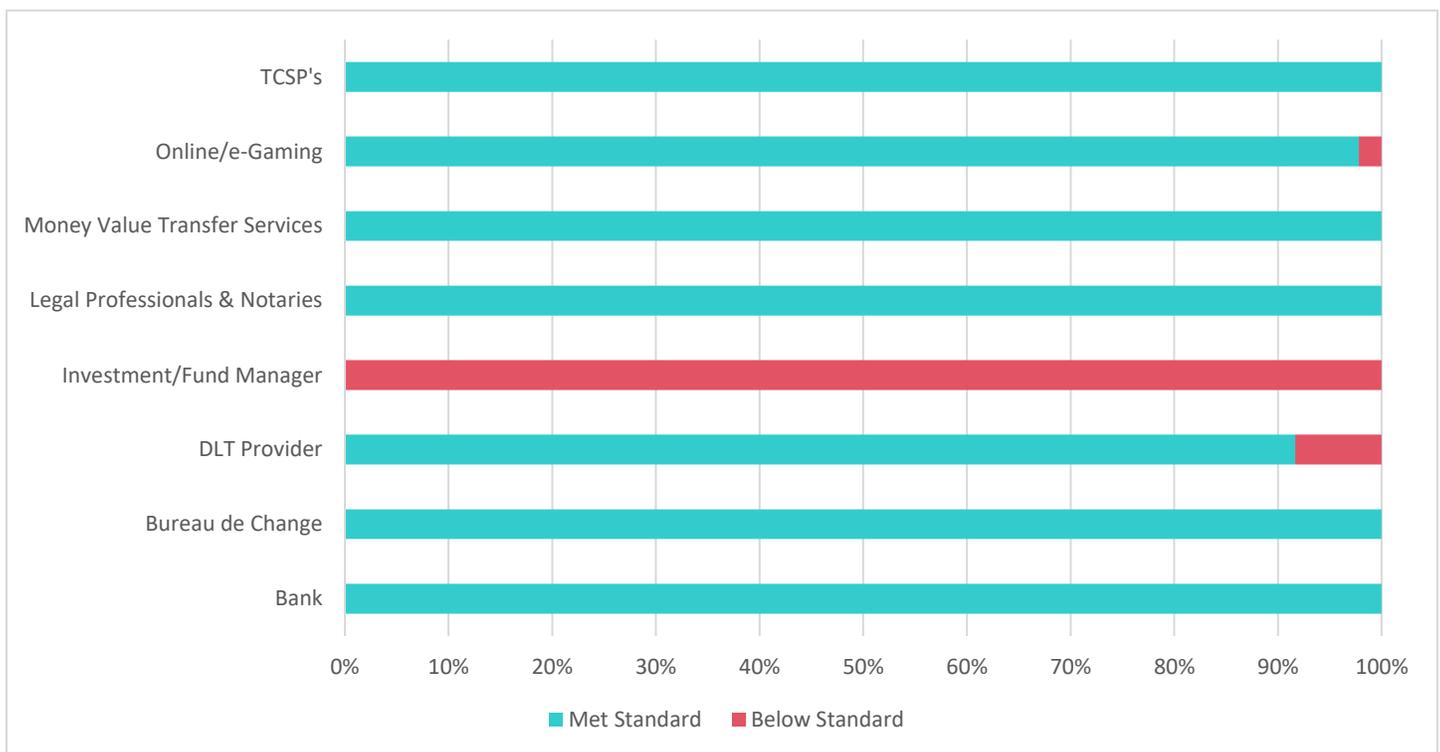
# Feedback Provided to the Reporter

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

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

The feedback provided in Q2 2023 includes feedback for SARs from previous quarters which had not previously received feedback. 96% of the SARs to which feedback was provided in Q2 2023 met standards.

The chart provides the percentage of SARs per sector and whether they met standards, for feedback provided in Q2 2023.





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