



Autoriti Monetari  
Brunei Darussalam



## FINANCIAL INTELLIGENCE UNIT



ANNUAL REPORT  
2016



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# Message from the Managing Director of AMBD



Assalamualaikum Warahmatullahi Wabarakatuh

I am pleased to present the first publication of the Financial Intelligence Unit (FIU) of Brunei Darussalam Annual Report, in commemoration of its 10th anniversary since its establishment in February 2007.

*Wawasan 2035* envisages Brunei Darussalam to transform itself into a diversified, dynamic and sustainable economy, delivering a level of income per capita within the top 10 countries in the world. The existence of the FIU is pivotal towards achieving this goal through its role in maintaining stability and integrity of the financial ecosystem. This is highlighted in the Brunei Darussalam Financial Sector Blueprint (2016-2025) which sets out the strategic framework within which AMBD, including the FIU, will be working with other ministries and other stakeholders to reach the objectives of *Wawasan 2035*.

Significant progress has been made by the FIU ever since the Asia/Pacific Group on Money Laundering conducted a Mutual Evaluation (ME) on Brunei Darussalam in 2010. Indeed, the FIU played an important part in ensuring Brunei Darussalam's successful exit from the Financial Action Task Force's International Cooperation Review Group process in 2013. The FIU has also successfully coordinated the first National Risk Assessment (NRA) on Money Laundering and Terrorism Financing starting from September 2015 until December 2016. Following this, the next steps would be crucial in addressing the deficiencies identified in the NRA in preparation towards the upcoming ME on Brunei Darussalam scheduled for 2020.

The existence of transnational crimes and terrorist groups pose significant challenges to Brunei Darussalam in terms of the need to mitigate these threats from propagating and taking root here. The FIU will continue to develop close relationships domestically as well as internationally with various intelligence agencies, law enforcement agencies and reporting entities. This will be crucial in identifying networks of individuals and assets and the proceeds of crime. It is hoped that this report would provide an insight into the work conducted by the FIU, as well as their achievements and the challenges faced in their operation, and be of benefit to government agencies, reporting entities and other stakeholders.

I have no doubt that the FIU will continue to strengthen and develop their expertise as a leading force in dealing with money laundering and terrorism financing in Brunei Darussalam.

Thank you.

**Yusof Hj Abd Rahman**  
Managing Director



# Foreword

## by Head of the Financial Intelligence Unit



Assalamualaikum Warahmatullahi Wabarakatuh

In conjunction with the FIU's 10th Anniversary, the Financial Intelligence Unit (FIU), Autoriti Monetari Brunei Darussalam, has produced its first Annual Report, to promote awareness and understanding of the FIU's functions and obligations. This inaugural report contains an introduction to the anti-money laundering and combating the financing of terrorism (AML/CFT) regime in Brunei Darussalam, the FIU's roles, responsibilities, and accomplishments.

Throughout the FIU's 10-year tenure, it has witnessed significant growth in terms of both capacity and capability, with the main emphasis focusing on increased compliance towards international AML/CFT standards. Several noteworthy achievements include the launch of the Integrated Financial Intelligence System (IFIS), which permits secure online reporting and enhances analytical capacity, and the FIU's membership to the Egmont Group, broadening information exchange capabilities with other member FIUs.

More recently, the FIU coordinated the conduct of Brunei Darussalam's first National Risk Assessment on money laundering and financing of terrorism (NRA) which was completed in early 2017. In further strengthening international relations in the area of terrorism financing, the FIU joined the Financial Intelligence Consultative Group and International Community of Experts, facilitating the sharing of information and technological developments as laid out in the Nusa Dua statement arising from the Counter-Terrorism Financing Summit held in Bali, Indonesia.

Building on the achievements of the past 10 years, the FIU will continue moving forward in improving its existing functions through analysis exchange programmes to develop the intelligence tradecraft, engaging the services of an AML/CFT expert to improve national compliance to international standards and the implementation and coordination of the NRA action plan. Part of the NRA action plan includes the establishment of a dedicated AML/CFT supervision unit to monitor all reporting entities' controls to combat AML/CFT in line with the international standards.

Undoubtedly, the FIU is constantly evolving to meet the challenges and new requirements faced by an ever-changing global landscape in the wake of increasing terrorist attacks, money laundering and terrorism financing issues. I hope that this report will provide a valuable insight into the FIU and I wish you an interesting and enjoyable read.

Thank you.

**Hajah Nuralia Haji Abd Rahim**  
Head of FIU

Operating

Gartner's report "IT Metrics: IT Spending

Field Values		1999	2000	2001
Bulgaria		1.9558	1.9522	1.9462
Czech Republic		36.884	35.599	34.068
Denmark		7.4355	7.4538	7.4521
Estonia		15.6466	15.6466	15.6466
Latvia		0.6256	0.5592	0.5601
Lithuania		4.2643	3.6952	3.5823
Hungary		252.77	260.04	256.59
Poland		4.2254	4.0082	3.6721
Romania		1.6345	1.9822	2.6004
Slovakia		44.123	42.602	43.3





■ Run the

and Staffing Report,

2002	2003	2004
1,949.2	1,949	1,953
30,804	31,646	31,89
7,4305	7,4307	7,439
15,6466	15,6466	15,646
0,581	0,6407	0,665
3,4594	3,4527	3,452
242,96	253,62	251,6
3,8574	4,3996	4,526
3,1270	3,7511	4,051
42,694	41,480	40,02

# About FIU & Milestones





# About FIU

The Financial Action Task Force (FATF) outlines a series of Recommendations that are recognised as the international standard for the combating of money laundering (ML) and the financing of terrorism (TF) and proliferation of weapons of mass destruction. This includes an explicit recommendation on the establishment and functioning of Financial Intelligence Units (FIUs).

**FATF Recommendation 29 determines that countries should establish an FIU with the responsibility for acting as a national centre for receipt and analysis of suspicious transaction reports and other information relevant to money laundering, associated predicate offences and terrorism financing; and for the dissemination of the results of that analysis to law enforcement agencies or other competent authorities.**



Brunei Darussalam established its FIU in February 2007 under the Financial Institutions Division, Ministry of Finance. On 1 January 2011, the FIU was absorbed by Autoriti Monetari Brunei Darussalam (AMBD), a statutory body which acts as the Central Bank of Brunei Darussalam.

With the powers accorded by the Criminal Asset Recovery Order, 2012 (CARO), the Anti-Terrorism Order, 2011 (ATO), and the Anti-Terrorism (Terrorist Financing) Regulations, 2013, the FIU assumes a pivotal role in the fight against ML, TF, and other financial crimes through execution of its two primary functions:

### Did you know?

The FIU does not have formal investigative powers to arrest and charge suspects or restrain properties.

The FIU does not have a prosecutorial role.

## FIU



### Analysis

As the agency responsible for receiving, requesting, and analysing information concerning suspected proceeds of crime, ML, TF, and other serious offences, the FIU provides financial intelligence and information to various partner agencies, both domestic and foreign.



### NAMLC Secretariat

As the Secretariat to the National Anti-Money Laundering and Combating the Financing of Terrorism Committee (NAMLC), the FIU coordinates Brunei Darussalam's compliance towards international anti-money laundering and combating the financing of terrorism (AML/CFT) standards outlined by the FATF Recommendations.

# Milestones

Establishment of the FIU under the Financial Institutions Division, Ministry of Finance.

February  
2007

Memorandum of Understanding with Bank Negara Malaysia.

February  
2008

Memorandum of Understanding with Pusat Pelaporan Analisa Transaksi Keuangan, Indonesia.

December  
2008

Asia/Pacific Group on Money Laundering (APG) 2nd Mutual Evaluation on Brunei Darussalam.

2010

Memorandum of Understanding with the Korea Financial Intelligence Unit, Financial Services Commission.

July  
2012

Issuance of the Anti-Terrorism (Terrorist Financing) Regulation, 2013 to implement UN Security Council Resolutions 1988, 1267, 1989, and 1373.

8  
December  
2012

Brunei Darussalam's exit from the FATF-International Cooperation Review Group (ICRG) having entered in 2011.

June  
2013

Launch of the Integrated Financial Intelligence System (IFIS).

June  
2014





Establishment of AMBD. The FIU and three other departments under the Ministry of Finance were amalgamated into AMBD.

1  
January  
2011

Enactment of the Anti-Terrorism Order, 2011.<sup>1</sup>

<sup>1</sup> Replacing the Anti-Terrorism (Financial and Other Measures) Act, 2008.

18  
July  
2011

Implementation of Physical Currency and Bearer Negotiable Instruments (CBNI) reporting.

August  
2011

Enactment of the Criminal Asset Recovery Order, 2012.<sup>2</sup>

<sup>2</sup> Replacing the Anti-Money Laundering Act Chapter 209, the Drug Trafficking (Recovery of Proceeds) Act, Chapter 178 and the Criminal Conduct (Recovery of Proceeds) Order, 2000.

16  
June  
2012

Implementation of Cash Transaction Reporting through IFIS.

June  
2014

FIU became a member of the Egmont Group.

June  
2014

Memorandum of Understanding with the Bangladesh Financial Intelligence Unit, Bangladesh Bank.

January  
2015

Brunei Darussalam's first National Risk Assessment on Money Laundering and Terrorism Financing.

2016





- Financial profess
- Medical
- Executives, ma
- (non-financ
- Pilots
- Far
- Business
- Real estate
- Blue collar o
- Skilled sales (except fin
- Not working or deceased
- Computer, math, engineering, technical...
- Lawyers





The background image shows a person's hands working on a desk. One hand, wearing a blue-faced wristwatch, is near a black Casio calculator. The other hand is pointing at a tablet. The desk is cluttered with papers, including a document with a table of numbers and a grid paper with the number 751.5 written on it. The title text is overlaid on the tablet screen.

# Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Regime in Brunei Darussalam



# Legal and Regulatory Framework

## CRIMINAL ASSET RECOVERY ORDER, 2012

The Criminal Asset Recovery Order, 2012 (CARO) was enacted on 16 June 2012. CARO is the primary statute governing the AML/CFT regime in Brunei Darussalam. CARO is a comprehensive legislation that contains the offence of ML, places requirements on Financial Institutions (FIs) and Designated Non-Financial Businesses and Professions (DNFBPs) to implement preventive measures, provides powers and responsibilities of FIU, requirements relating to cross-border movements of physical currency and bearer negotiable instruments, powers of investigative and prosecutorial agencies to freeze and seize properties that are involved or suspected to be involved in ML or TF offences, and provisions allowing a variety of court orders to forfeit properties derived from the proceeds of serious crimes. The legislation is applicable to a wide range of authorities and agencies relevant to AML/CFT.

CARO designates the FIU as the national agency for receiving and analysing suspicious transaction reports and other relevant information, and disseminating the results of the analysis to competent authorities, and gives it extensive functions and powers, including:

- issuing guidelines in relation to customer identification, record keeping and reporting obligations, and the identification of suspicious transactions;
- providing training programmes for FIs and DNFBPs in relation to customer identification, record keeping and reporting obligations, and the identification of suspicious transactions;
- conducting research into trends and developments in the area of ML and TF and improved ways of detecting, preventing and deterring ML and TF activities;
- educating the public and creating awareness on matters relating to ML and TF; and
- liaising with, and entering into any agreement with, any foreign government institution or agency, or any international organisation, regarding the exchange of information.

## ANTI-TERRORISM ORDER, 2011

The Anti-Terrorism Order, 2011 (ATO) was enacted on 18 July 2011. The ATO covers, among others, punishment for offences such as the commission of terrorist acts, membership of terrorist groups, financing of terrorism and support or assistance to any terrorist groups or acts. Under the ATO, the FIU has the power to receive suspicious transaction reports relating to terrorism and terrorism financing from FIs and DNFBPs whereby the ATO imposes a legal obligation on all FIs and DNFBPs to report suspicious transactions related to terrorism and terrorism financing to the FIU.

## ANTI-TERRORISM (TERRORIST FINANCING) REGULATIONS, 2013

The Anti-Terrorism (Terrorist Financing) Regulations, 2013 (ATF) became effective on 8 December 2012. The ATF requires every person in Brunei Darussalam and citizens of Brunei Darussalam outside of Brunei Darussalam to freeze without delay funds or other assets of, and to ensure that no funds or other assets are made available, directly or indirectly, to or for the benefit of, any person or entity either (i) designated by the United Nations Security Council in accordance with Resolution 1267, Resolution 1988 and their successor Resolutions; or (ii) designated by Brunei Darussalam pursuant to Resolution 1373. Under these regulations FIs and DNFBPs are required to report to AMBD through the FIU if they suspect the following:

- A person is a designated person;
- It is dealing or has dealt with property owned, held or controlled by a designated person; or
- It is making or has made property or financial services available for the benefit of a designated person.





# Analysis and Intelligence

## HIGHLIGHTS OF 2016

83



Number of Suspicious Transaction Reports (STRs) Received



Number of Intelligence Reports Disseminated

8

Based on STRs

3

Not Based on STRs

\$4.20 billion

Amount Reported in CTR Reports

Number Cash Transaction Reports (CTR) Received

5,413



### Requests for Information (RFI) Stakeholders

Received from Domestic Agencies



58

requests  
(190 persons and entities)

Received from International Counterparts

6

requests  
(15 persons and entities)

Sent to International Counterparts

3

requests  
(3 persons and entities)

Number of Physical Currency and Bearer Negotiable Instruments (CBNI)

1,276

reports received



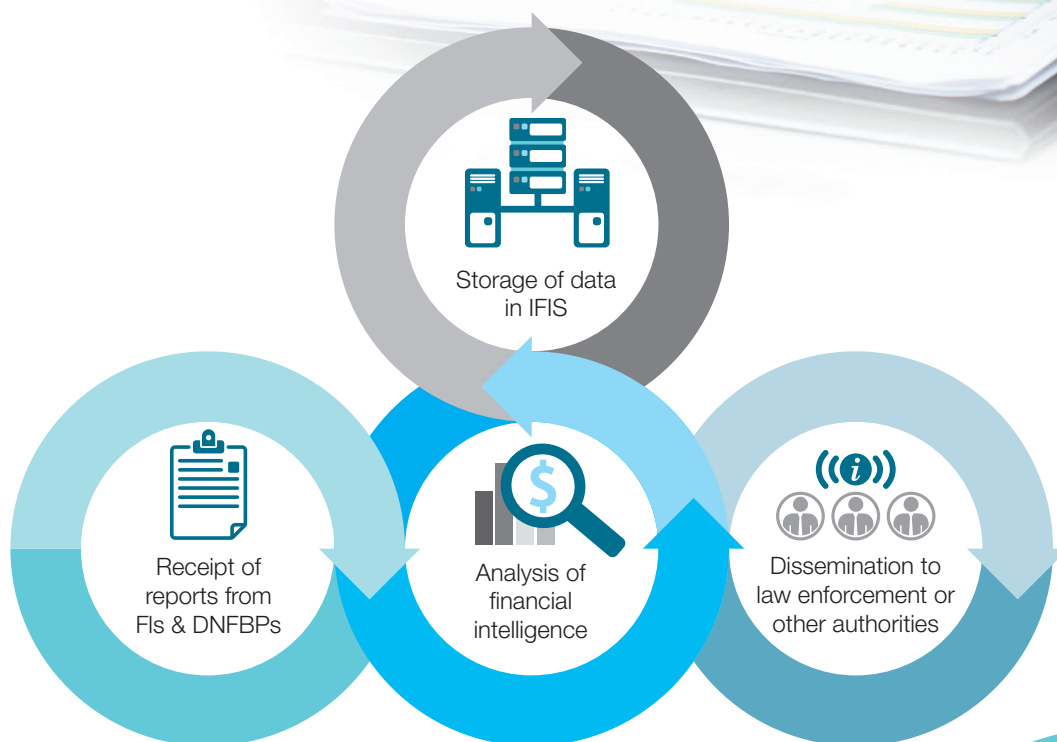
\$201 million

Amount Reported in CBNI Reports

## ANALYSIS AND DISSEMINATION

The core function of an FIU is in the receipt, analysis and dissemination of Suspicious Transaction Reports (STRs). Other types of reports received by the FIU include Cash Transaction Reports (CTRs), and Physical Currency and Bearer Negotiable Instruments (CBNI) Reports.

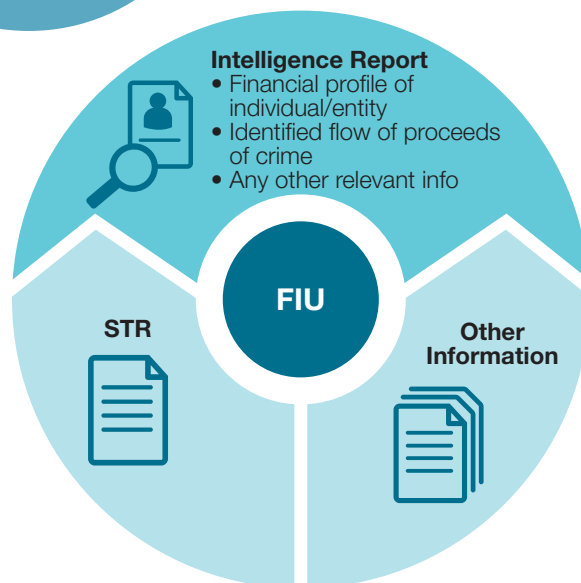
An important part of FIU's output consists of producing financial intelligence reports based on findings from analysis of the different types of reports received. The report will include the financial profile of suspected individuals or entities and any identified flow of proceeds of crime. These financial intelligence reports are disseminated to relevant Law Enforcement Agencies (LEAs) and other competent authorities to assist in any existing investigation or to trigger a new investigation.



In producing a financial intelligence report, the FIU gathers additional information from various governmental and non-governmental databases to add value and to substantiate any link between the reported activities to ML, TF or any other serious offence.

Not all STRs result in dissemination. STRs that have been determined not to have links with any serious offence are stored in the FIU's database for future reference and may be used to support any future analysis.

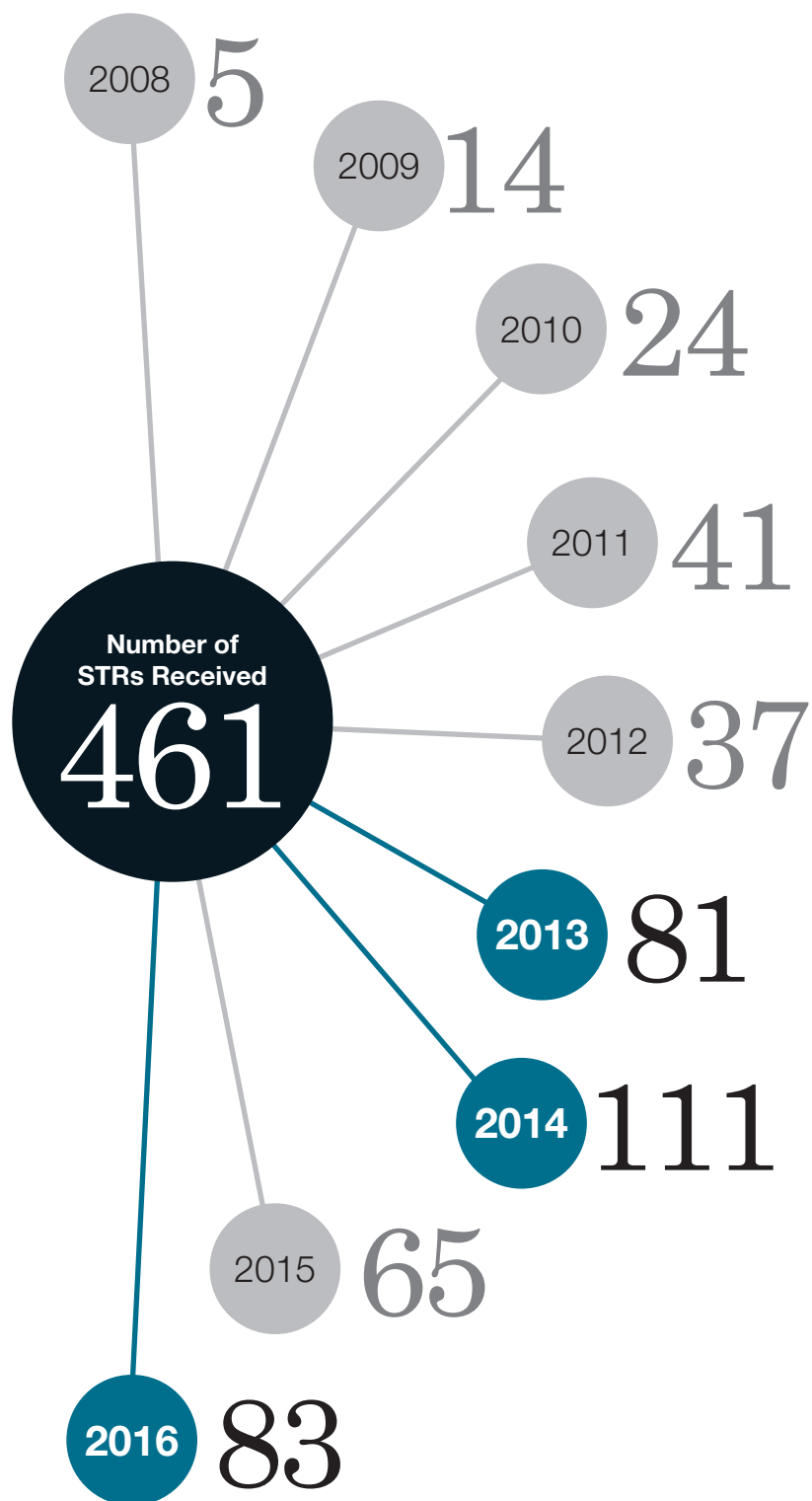
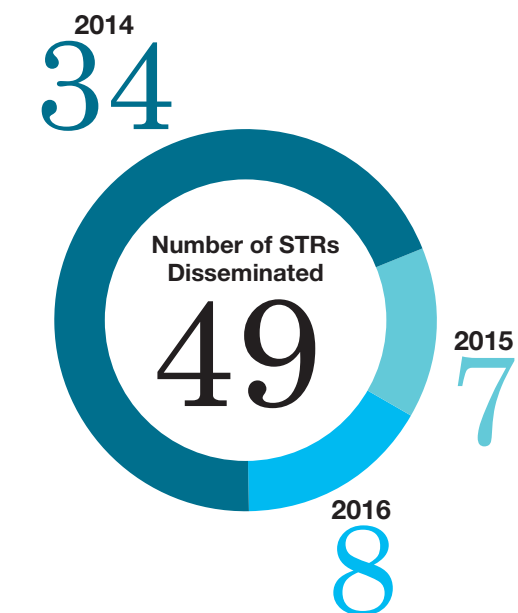
In 2016, a total of 8 STRs were disseminated by the FIU to provide useful intelligence leads for the LEAs to pursue their investigation.





### ILLUSTRATION FOR STR DISSEMINATIONS 2014-2016

The FIU also disseminates intelligence reports which are not based on STR submissions but from other information that is gathered.



In 2013 and 2014, there were a high number of cases detected relating to fraud at one reporting entity. This trend was mitigated through improvements in their internal controls.

## STATISTICS

### SUSPICIOUS TRANSACTION REPORTS (STRs)

The FIU began receiving STRs from FIs in 2008 and DNFBPs were obliged to submit STRs with the enactment of CARO in 16 June 2012.

Since 2008, the number of STR filings have steadily increased throughout the years. The rise in number of STRs is expected to continue as the FIU rolls out its awareness programmes to improve understanding among reporting entities, and tightens control measures against ML and TF activities across the industries in pursuant to the relevant legislations.

Over the last five years, 99% of the annual total STR submissions were submitted by the FIs while the remainder was submitted by the DNFBPs. The banking sector continues to contribute the most volume in filing the STRs, weighing an estimate of 85% of the overall submissions.

### What are STRs?

A report filed whenever a transaction(s) or attempted transaction(s) are found with suspected involvement in a serious offence.

### What is a serious offence?

These are any offences committed for which the penalty is not less than 6 months imprisonment, fine not less than BND1,000 or more severe penalty. This includes offences of ML, TF and other serious offences.

### Who submits STRs?

All reporting entities, which are:  
FIs and DNFBPs.

### Where can STRs be submitted?

STRs can be submitted directly to the FIU through IFIS.

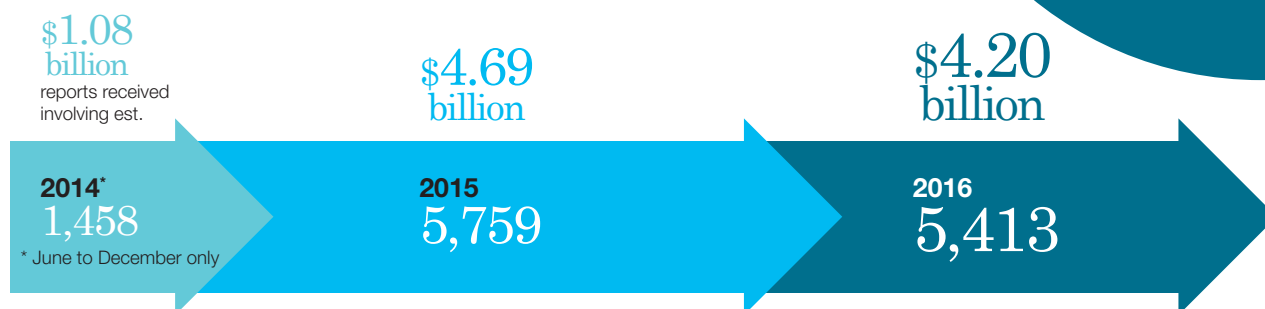


## CASH TRANSACTION REPORTS (CTRs)

The CTR requirement was first implemented in June 2014 to the Banking sector and to the other sectors in phases.

The figure shows the number of transactions and amounts involved in CTRs submitted by reporting entities for the period of 2014-2016:

### Number of Reports Received and Amounts Reported



### What are CTRs?

A report made on any cash transaction(s) amounting to BND15,000 or more or the equivalent in foreign currency within a day.

### Who submits CTRs?

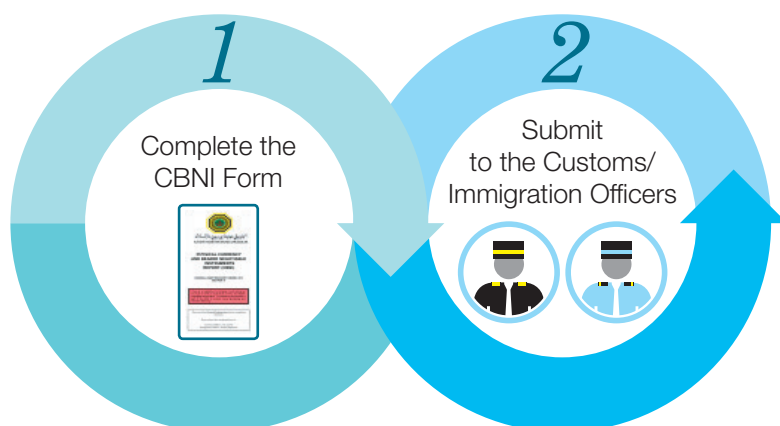
All FIs, DNFBPs as well as motor vehicle dealers.

### Where can CTRs be submitted?

CTRs are submitted directly to the FIU through IFIS.

## PHYSICAL CURRENCY AND BEARER NEGOTIABLE INSTRUMENTS (CBNI) REPORTS

The CBNI reporting requirement was first implemented in August 2011.



All forms submitted to Customs/Immigration are compiled by FIU, AMBD for further analysis.

### What are CBNI reports?

A report filed whenever a person carries BND15,000 or more or the equivalent in foreign currency across borders.

### Who submits CBNI reports?

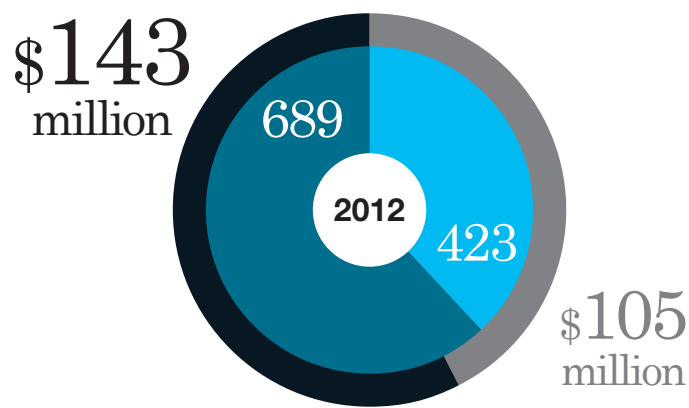
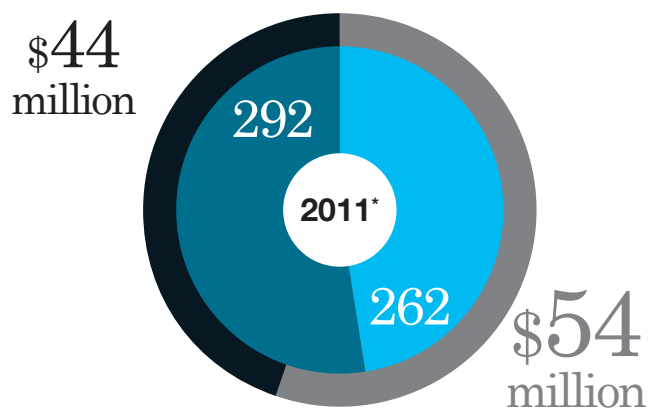
Any person moving in to or out of Brunei Darussalam satisfying the criteria mentioned above.

### Where can these be submitted?

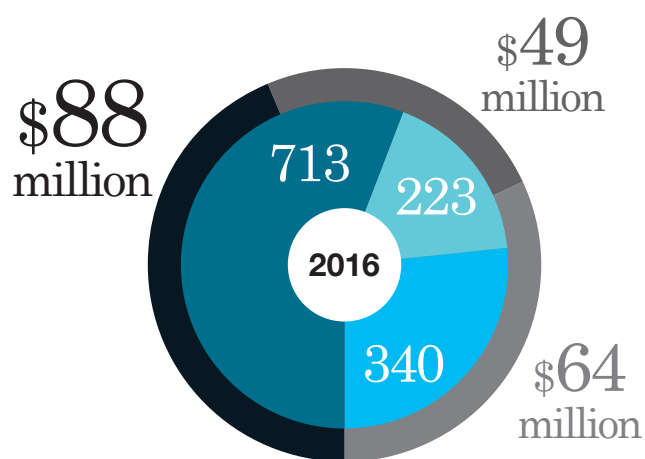
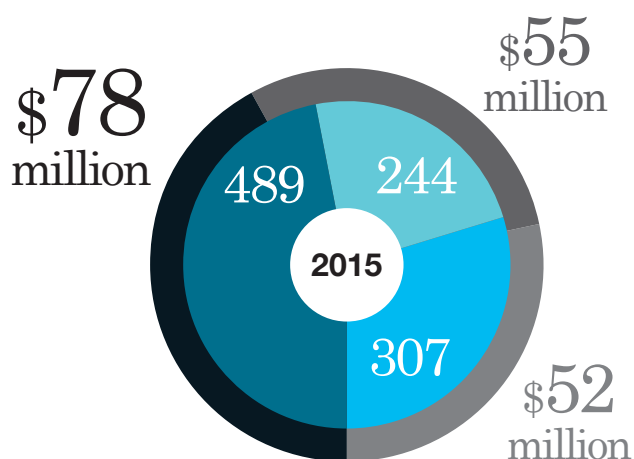
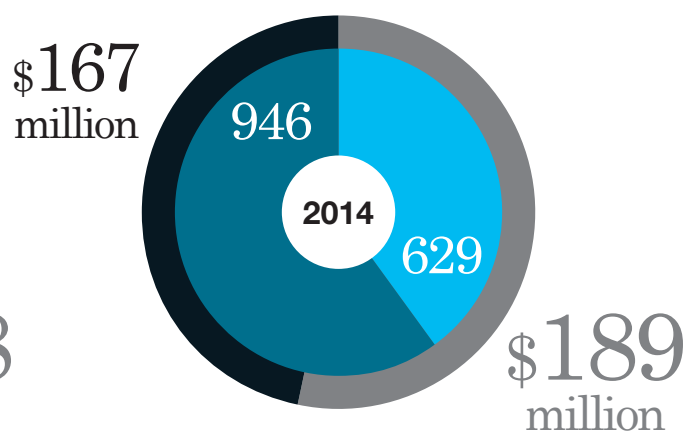
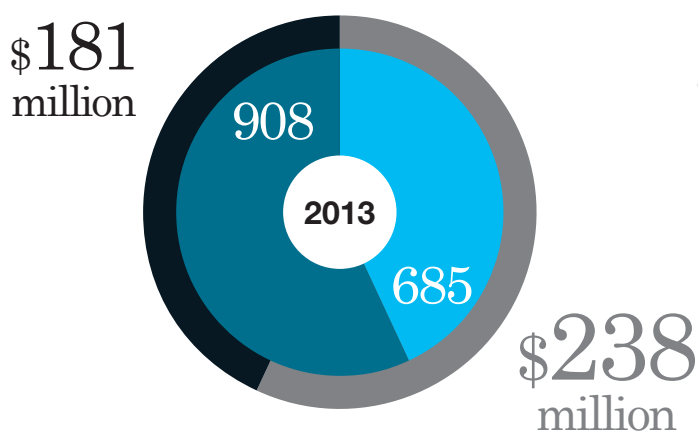
When travelling outwardbound from Brunei, the report is submitted to an officer at the Immigrations Control Post. When travelling inwardbound to Brunei, the report is submitted to an officer at the Customs Control Post.

The figures show the number of CBNI reports received and amounts reported from 2011 to 2016.

### Number of Reports Received & Amounts Reported



\*August to December only



Number of Reports Received  
Amounts Reported



### Requests for Information

In addition to receiving STRs, CTRs and CBNI reports, the FIU also receives Requests for Information (RFI) from domestic law enforcement agencies and foreign FIU counterparts. This information is provided as intelligence to support any investigations conducted by the relevant agencies or countries.

Domestic agencies include:

**ANTI-CORRUPTION BUREAU**  
**Narcotics Control Bureau**  
**Internal Security Department**  
 Immigration and National Registration Department  
**Revenue Division, MOF**  
**Counter Terrorism Intelligence Working Group**  
**Royal Customs and Excise Department**  
**ROYAL BRUNEI POLICE FORCE**  
**Brunei Industrial Development Authority**

Over the last three years, about

**87%**

of requests are made by the main investigating agencies – Anti-Corruption Bureau with the highest frequency of requests followed by Narcotics Control Bureau and Royal Brunei Police Force.

The FIU has formed relationships with foreign counterparts through MOUs as well as through membership in the Egmont Group of FIUs. From this platform, the FIU receives and sends RFIs and provides intelligence to assist our foreign counterparts in their information gathering.

So far, we have mainly received requests from and sent requests to the FIUs of the following regions:

1. Americas
2. Europe
3. Central Asia
4. Southeast Asia
5. Oceania





### TOTAL NUMBER OF REQUESTS & TOTAL NUMBER OF INDIVIDUAL'S/ENTITY'S DETAILS REQUESTED FROM DOMESTIC AGENCIES

2014  
**47**  
requests  
(210 individuals  
and entities)

2015  
**43**  
requests  
(204 individuals  
and entities)

2016  
**58**  
requests  
(190 individuals  
and entities)

### TOTAL NUMBER OF REQUESTS & TOTAL NUMBER OF INDIVIDUAL'S/ENTITY'S DETAILS REQUESTED FROM FOREIGN FIUs

2014  
**2**  
requests  
(15 individuals  
and entities)

2015  
**6**  
requests  
(33 individuals  
and entities)

2016  
**6**  
requests  
(15 individuals  
and entities)

### TOTAL NUMBER OF REQUESTS & TOTAL NUMBER OF INDIVIDUAL'S/ENTITY'S DETAILS REQUESTS MADE TO FOREIGN FIUs

2014  
**4**  
requests  
(11 individuals  
and entities)

2015  
**4**  
requests  
(8 individuals  
and entities)

2016  
**3**  
requests  
(3 individuals  
and entities)



# Management of Information

## INTEGRATED FINANCIAL INTELLIGENCE SYSTEM (IFIS)

The Integrated Financial Intelligence System (IFIS) is a secure online reporting facility for the submission of reports to the FIU which was launched on 12 June 2014. This system is the main platform for receiving, analysing and storing of reports and information such as STR, CTR, CBNI and RFIs. Since IFIS was launched, FIU no longer accepts any report submissions in the form of hard copies.

The launching of IFIS was attended by the management and staff of AMBD, the Chief Executive Officers and Heads of both local and international banks, together with the infrastructure system provider Ishajaya Technology Sdn Bhd and compliance officers of banks.

IFIS is a secure web-based platform for real time data transmission that improves efficiency of data management and ensures the timeliness of feedback to the reporting entities. IFIS is also a database and analysis tool that allows for efficient analysis and will aid in preparing comprehensive reports for LEAs to assist in their investigations.

IFIS utilises the latest version of the goAML software, developed by the United Nations Office on Drugs and Crime (UNODC). To date, goAML has been adapted by more than 40 FIUs across the globe. It is equipped with the latest technology and a secure network infrastructure, which provides a secure online communication platform between the FIU, reporting entities and stakeholders.



### IFIS logo was designed in-house by the FIU IT Team

The design is in the shape of a key to symbolise the access requirements of IFIS.

The letter 'i' inside the layered octagon represents information which is protected by different layers of security.

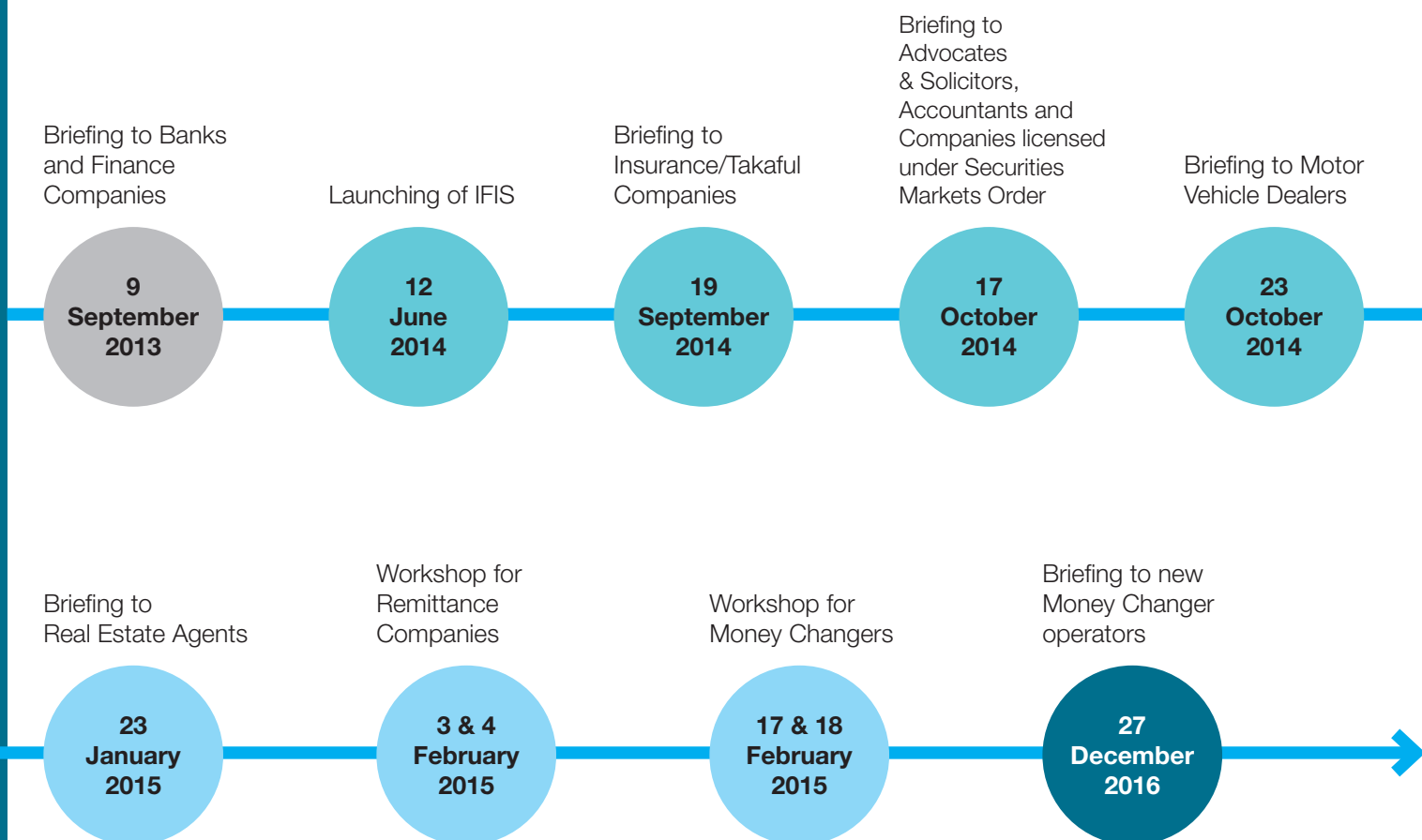
The colours used are based on the AMBD logo.



## IFIS OUTREACH TO SECTORS

Since IFIS was launched, briefings and workshops have been organised in phases to different sectors that are required to submit reports to the FIU. User Manuals were also distributed during the briefings and workshops. As of December 2016, there are:

**154** active Reporting Entities; and **10** stakeholders.



IFIS training is available upon request for any stakeholders and reporting entities.

IFIS Helpdesk can be contacted through [ifis@amdb.gov.bn](mailto:ifis@amdb.gov.bn) or 2382614

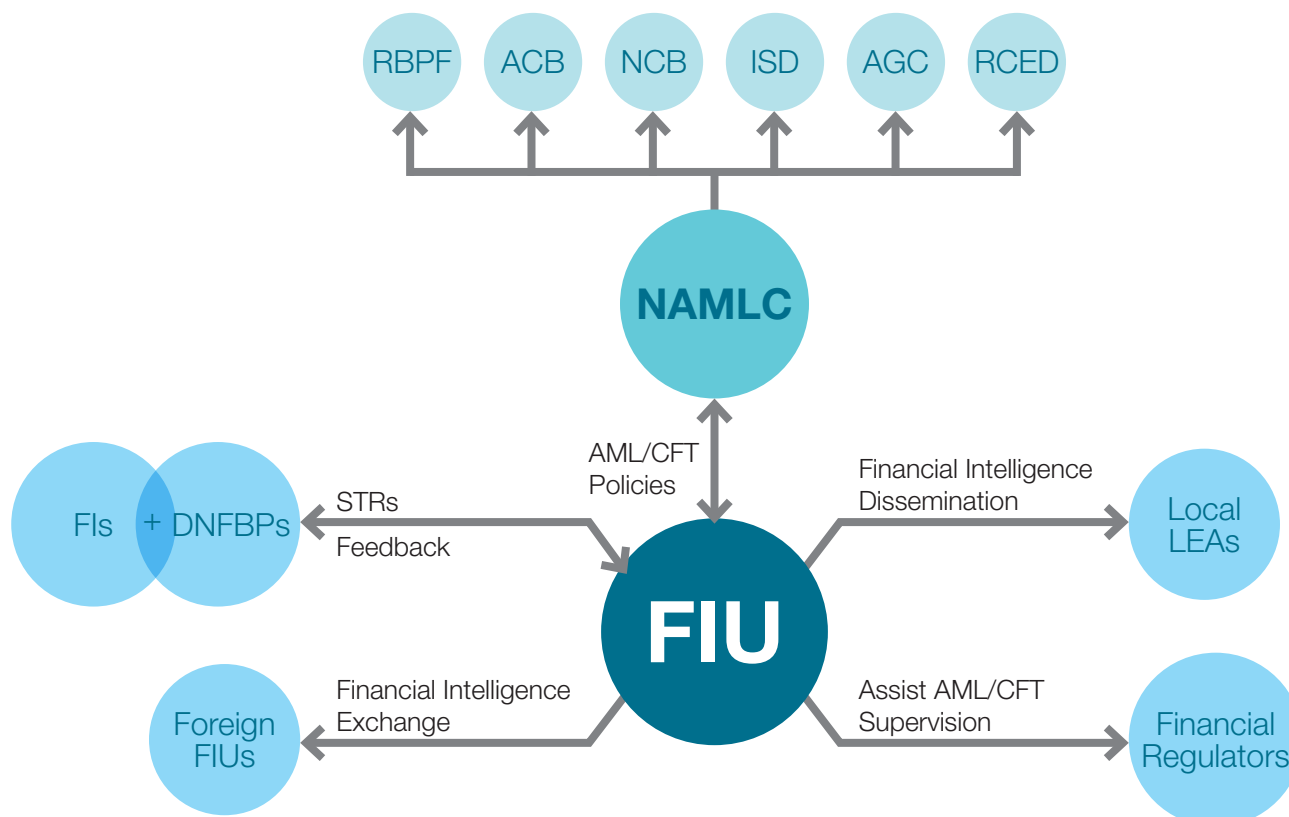
# National Coordination

## THE NATIONAL ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM COMMITTEE (NAMLC)

The National Anti-Money Laundering and Combating the Financing of Terrorism Committee (NAMLC) serves as a mechanism for relevant domestic competent authorities to coordinate, implement and monitor the development and implementation of national AML/CFT initiatives. As a strategic body, NAMLC formulates policies and provides advisory roles and strategic directions to relevant agencies. NAMLC directs working level objectives to address operational issues and to work closely with various stakeholders to maintain the integrity and robustness of the country's AML/CFT regime by exchanging information with Law Enforcement Agencies (LEAs), other competent authorities as well as FIs and DNFBPs.

NAMLC is jointly chaired by the Permanent Secretary (Law & Welfare), Prime Minister's Office and the Permanent Secretary (Policy), Ministry of Finance. The FIU acts as the secretariat to NAMLC, of which members consist of:

- Commissioner of Police, Royal Brunei Police Force (RBPF) as Deputy Co-Chair
- Managing Director, AMBD as Deputy Co-Chair
- Deputy Managing Director (Regulatory Department), AMBD
- Deputy Commissioner of Police or Director of Criminal Investigation Department, RBPF
- Director or Deputy Director, Anti-Corruption Bureau (ACB)
- Director or Deputy Director, Narcotics Control Bureau (NCB)
- Director or Deputy Director, Internal Security Department (ISD)
- Solicitor General or Principal Counsel, Attorney General's Chambers (AGC)
- Controller or Deputy Controller, Royal Customs and Excise Department (RCED)





## NATIONAL RISK ASSESSMENT ON MONEY LAUNDERING AND TERRORISM FINANCING

Brunei Darussalam, through NAMLC, conducted its first National Risk Assessment on Money Laundering and Terrorism Financing (NRA) in 2016. The project took approximately 17 months to complete. The purpose of the assessment is to identify and understand ML and TF risks that Brunei Darussalam faces, and to mitigate the identified risks through proper allocation of resources towards the enhancement of the country's AML/CFT regime. Additionally, the aim is to ensure Brunei Darussalam's compliance with FATF Recommendation 1. The NRA project was conducted with assistance of the World Bank using their NRA Tool and methodology. This project represents an inter-agency collaboration between eight (8) working groups consisting of 60 representatives from various law enforcement agencies, intelligence agencies, AMBD, Attorney General's Chambers and representatives from the private sector. The NRA project was conducted in phases involving three (3) workshop sessions.

### Phase 1 PREPARATION



#### WORKING GROUPS INTRODUCED TO NRA TOOLS AND PROCESSES

##### Activities

- Setting up Working groups
- Teleconference with the World Bank
- Identified data and information to be collected

##### Outputs

Working groups come up with a set required data or information for assessment.

### Phase 2 ASSESSMENT



#### WORKING GROUPS ASSESSED DATA AND INFORMATION GATHERED

##### Activities

- Gather required data and information gathered through meetings, consultations and focus groups
- Assess gathered data and information

##### Outputs

Each working group drafted individual subgroup reports, submitted to the World Bank for preliminary comments.



“  
**A key deliverable  
 of this project  
 is to share its  
 findings with  
 stakeholders  
 to ensure  
 understanding of  
 the risks faced.**  
 ”

## Phase **3** **FINALISATION**



**DEVELOPED RISK-BASED ACTION PLAN,  
 SHARING OF NRA RESULTS AND ACTION PLAN TO  
 POLICYMAKERS AND PRODUCE NRA REPORT**

### **Activities**

- Working group designed a risk-based action plan based on the NRA findings
- NRA Results and action plans presented to National Anti-Money Laundering and Combating of Terrorism Financing Committee (NAMLC)
- Consolidate and finalise NRA report

### **Outputs**

- A risk-based action plan
- NRA report

### **FINANCIAL INTELLIGENCE UNIT AND BANKING SECTOR UPDATE MEETING**

The FIU organises biannual meetings with the compliance officers of banks and finance companies operating in Brunei Darussalam. The meeting serves as an information-sharing platform between the FIU and the compliance officers to discuss AML/CFT compliance issues and allows the FIU to provide awareness on the current trends in STRs and typologies. The meetings are conducted in an interactive open forum where the compliance officers are free to ask questions and share their concerns and best practices in mitigating the common problems they have observed.

### **FINANCIAL INTELLIGENCE UNIT AND LAW ENFORCEMENT AGENCIES UPDATE MEETINGS**

To further the cooperation between the FIU and LEAs, the FIU holds meetings with LEAs on an ad hoc basis to discuss ongoing cases and share intelligence as well as bilateral meetings with the main investigating agencies to share recent trends. These meetings also provide a platform for LEAs to give feedback on information previously shared by the FIU which helps foster deeper understanding and cooperation between the FIU and its stakeholders.



# International Cooperation



## ASIA/PACIFIC GROUP ON MONEY LAUNDERING (APG)

The Asia/Pacific Group on Money Laundering (APG) is an autonomous and collaborative international organisation founded in 1997 in Bangkok, Thailand consisting of 41 members and a number of international and regional observers. Brunei Darussalam became a member of APG in December 2002, where the FIU is the main contact point. APG members and observers are committed to the effective implementation and enforcement of internationally accepted standards against ML and TF, in particular the Forty Recommendations of the FATF. APG members are subject to periodic assessments or mutual evaluation (ME) on compliance with the FATF Recommendations.

The FIU and representatives from the Government of His Majesty, the Sultan and Yang Di-Pertuan of Brunei Darussalam attends the APG Annual Meetings. These meetings mainly discuss the adoption of Mutual Evaluation Reports from member countries. On 5-8 September 2016, a delegation from Brunei Darussalam attended the 19th APG Annual Meeting held in San Diego, the United States of America.



## EGMONT GROUP (EG)

The Egmont Group was formed when a group of FIUs met at the Egmont Arenberg Palace in Brussels, Belgium, in 1995 and made a decision to establish a network of FIUs to foster international cooperation and information exchange at the operational level. The Interpretive Note to FATF Recommendation 29 expects FIUs to apply for membership with the Egmont Group. The FIU of Brunei Darussalam became an official member to the Egmont Group of FIUs in June 2014. The goal of the Egmont Group is to provide a forum for FIUs around the world to improve cooperation in the fight against ML and TF and to foster the implementation of domestic programmes in this field.

Since joining the Egmont Group, the FIU attended the 26th Egmont Plenary Meeting in Barbados as well as the Egmont Working Group Meeting in Berlin in 2015. On the 1-4 February 2016, attended the Egmont Working Group and Heads of FIU meetings in Monte Carlo, Monaco. In conjunction with the meeting, previous Working Groups were realigned into four Working Groups under the new Egmont Working Group structure.



Parallel to the Working Group meetings, the Heads of FIU also held an Interseasonal Meeting reviewing the findings from the ISIL/FTF Multilateral Project and discussed how to best mitigate the threat of terrorism and terrorism financing arising from ISIL and ISIL-inspired attacks.



Counter-Terrorism  
Financing Summit

## FINANCIAL INTELLIGENCE CONSULTATIVE GROUP AND INTERNATIONAL COMMUNITY OF EXPERTS

Following the 2nd Counter-Terrorism Financing Summit held in Bali, Indonesia in September 2016, the FIU joined the Financial Intelligence Consultative Group (FICG) and International Community of Experts (ICE) Working Groups.

The members currently include Australia, Brunei Darussalam, Indonesia, Malaysia, New Zealand, Philippines, and Thailand, with Singapore as an observer.

This initiative is a part of fulfilling the Nusa Dua Statement objectives which includes the regional commitment to stronger collaboration and innovation in countering terrorism financing.

The Summit also saw the publication of the Regional Risk Assessment on Terrorism Financing (RRA) report, which identifies primary terrorism financing risks from across a broad spectrum of risks assessed. The FIU, as part of the FICG and ICE will contribute to the expansion of the RRA through the participation of working group projects looking at the TF risks identified in the RRA. Both Working Groups focus on regional sharing of information and technological developments relating to TF. Current projects of the working groups include conducting a detailed risk assessment for non-profit organisations (NPOs) and cross-border movement of cash. Parallel to the current projects, the Working Groups have also planned to produce high-level statements on virtual currency, self-funding of terrorism and trade-based terrorism financing. Members to each working groups conduct regular teleconference meetings to discuss and update issues pertaining to the current TF trends.

# FICG & ICE





# Acronyms

Acronym	Definition
ACB	Anti-Corruption Bureau
AGC	Attorney General's Chambers
AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism
APG	Asia/Pacific Group on Money Laundering
ATF	Anti-Terrorism (Terrorism Financing) Regulations, 2013
ATO	Anti-Terrorism Order, 2011
CARO	Criminal Asset Recovery Order, 2012
CBNI	Physical Currency and Bearer Negotiable Instruments
CTR	Cash Transaction Report
DNFBP	Designated Non-Financial Businesses and Professions
FATF	Financial Action Task Force
FI	Financial Institution
FICG	Financial Intelligence Consultative Group
FIU	Financial Intelligence Unit
ICE	International Community of Experts
ICRG	International Cooperation Review Group
IFIS	Integrated Financial Intelligence System
ISD	Internal Security Department
LEA	Law Enforcement Agency
ME	Mutual Evaluation
ML	Money Laundering
MOU	Memorandum of Understanding
NAMLC	National Anti-Money Laundering and Combating the Financing of Terrorism Committee
NCB	Narcotics Control Bureau
NPO	Non-Profit Organisation
NRA	National Risk Assessment
RBPF	Royal Brunei Police Force
RCED	Royal Customs and Excise Department
RFI	Request for Information
RRA	Regional Risk Assessment on Terrorism Financing
STR	Suspicious Transaction Report
TF	Terrorism Financing
UNODC	United Nations Office on Drugs and Crime

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