

SEYCHELLES

FIU



**2019-2022**

**STRATEGIC PLAN**

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# DIRECTOR'S FOREWORD

With rapid changes in the operations and patterns of criminals, there is the pressing need for the FIU to remain vigilant and agile in its approach in combatting money laundering and the financing of terrorism and proliferation of weapon of mass destruction.

The FIU is moving forward in strengthening its presence in the financial services sector to ensure that the Seychelles' financial system remains resistant to financial crime. The future presents many challenges for the FIU however, we are fully committed in ensuring that resources are appropriately allocated and that measures and mechanism are put in place to break the chain of the financial network of criminal.

It is in this optic, that I proudly present the Seychelles FIU's first strategic plan for the years 2019-2022. It is worth noting that the priorities identified in this Strategic Plan are informed by internal typologies of the FIU, findings of the 2018 National Risk Assessment ("NRA") and the Eastern and Southern Africa Anti-Money Laundering ("ESAAMLG") 2nd Round Mutual Evaluation Report ("MER").

It is evident from typologies, that criminals use ever developing and diverse methods to launder money or support the financing of terrorism. To this effect, Seychelles remains resilient in upholding a coordinated approach from legislators, AML/CFT supervisors, law enforcement authorities, judiciary, financial intelligence agency and the reportable sectors. The FIU maintains a pivotal role within this value chain, to support the criminal justice system.



The capacity and resourcing of the FIU to adapt to the changing criminal environment and the resulting quality and accuracy of financial intelligence will be critical in the implementation of this strategy. We are committed towards development, continuous improvements and pro-activeness in the AML/CFT space.

This Strategy clearly outlines the five (5) cross-cutting strategic pillars that will serve as the foundation for the FIU's functions:

- Robust system to detect and deter financial crimes;
- Compliance Culture and System;
- Information Communication Technology;
- Reputational Repositioning; and
- An innovative, high-performing, and diverse work force.

## LOOKING AHEAD

For the upcoming three years, the focus of the FIU will be on delivering on its 5 strategic pillars. We are committed to bringing together Government and private institutions in a collaborative and secure information sharing environment; produce timely and accurate financial intelligence reports so that we can work with our partners to understand and respond to threats and risks in an appropriate manner; and collaborate with the industry to develop and publish risk assessments guidelines. The FIU remains committed to work with and support key forums that bring together our national and international partners.

I have the confidence in my team, and with the support from our key stakeholders, we will be able to tackle the challenges of global money laundering and financing of terrorism and proliferation of weapon of mass destruction.

**Richard Rampal**  
 Director and Chief Executive Officer  
 Seychelles Financial Intelligence Unit

# ABBREVIATIONS/ACRONYMS

<b>AML</b>	Anti-Money Laundering
<b>AMLA</b>	Anti-Money Laundering Act 2006, as amended
<b>BDC</b>	Bureau de Change
<b>CBS</b>	Central Bank of Seychelles
<b>CFT</b>	Countering the Financing of Terrorism
<b>DNFBPs</b>	Designated Non-Financial Businesses and Professions
<b>ESAAMLG</b>	Eastern and Southern Africa Anti-Money Laundering Group
<b>FATF</b>	Financial Action Task Force
<b>LEAs</b>	Law Enforcement Agencies
<b>LPE</b>	Legal, Policy and External Relations
<b>M&amp;A</b>	Monitoring and Analysis
<b>ME</b>	Mutual Evaluation
<b>MER</b>	Mutual Evaluation Report
<b>MFTIEP</b>	Ministry of Finance, Trade, Investment and Economic Planning
<b>ML</b>	Money Laundering
<b>MoU</b>	Memorandum of Understanding
<b>NRA</b>	National Risk Assessment
<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>PF</b>	Proliferation Financing
<b>PPBB</b>	Programme Performance-Based Budgeting
<b>PTA</b>	Prevention of Terrorism Act, 2004
<b>RE</b>	Reporting Entities
<b>SRP</b>	Supervision, Risk and Prevention
<b>STR</b>	Suspicious Transaction Report
<b>TA</b>	Technical Assistance
<b>TF</b>	Terrorist Financing

# INTRODUCTION

## THE SEYCHELLES FINANCIAL INTELLIGENCE UNIT

The FIU is the central agency for the receipt and analysis of suspicious transactions and other reports from reporting entities (“RE”), and dissemination of financial intelligence and other relevant information to Law Enforcement Agencies (“LEAs”) to identify potential cases of ML, TF, PF and associated predicate offences.

The FIU was first established as a Unit within the Central Bank of Seychelles (“CBS”) in June 2006 with the repealing of the Anti-Money Laundering Act 1996 and enactment of the Anti-Money Laundering Act 2006, which defines the FIU’s duties, rights, functions and powers. In 2008, the AMLA was further amended to establish the FIU as an independent body corporate. With the promulgation of the Transfer of Statutory Functions (AMLA) Order, 2010, the President of the Republic transferred the exercise of powers and the performance of certain duties of the AMLA to the Board of the CBS.

## BACKGROUND TO THIS STRATEGIC PLAN

The principle set out in this Strategic Plan is built upon the objectives identified in the National AML/CFT Strategy which is informed by the matters identified as key priorities in the NRA 2018 and the ESAAMLG 2<sup>nd</sup> round MER. In addition, a SWOT analysis (enclosed per Annexure 1.0) of the institution was undertaken to identify priority factors to redress and the present status of the FIU and environment which it is operating in.

This Strategic Plan is composed of five (5) key strategic pillars which together, aim to promote a robust system to detect and deter financial crimes and an innovative, high-performing, and diverse workforce. The strategy has been complemented with an Action Plan which details the key action points and measures which will allow the FIU to reach its desired vision.

## ORGANISATIONAL ENVIRONMENT

The staff complement of FIU as at December 31<sup>st</sup>, 2019 was 46 staff. For efficiency, the FIU is organized into three (3) levels being Directorate, Technical and Operational as depicted in Fig.1.0.

# FIU'S STRUCTURE

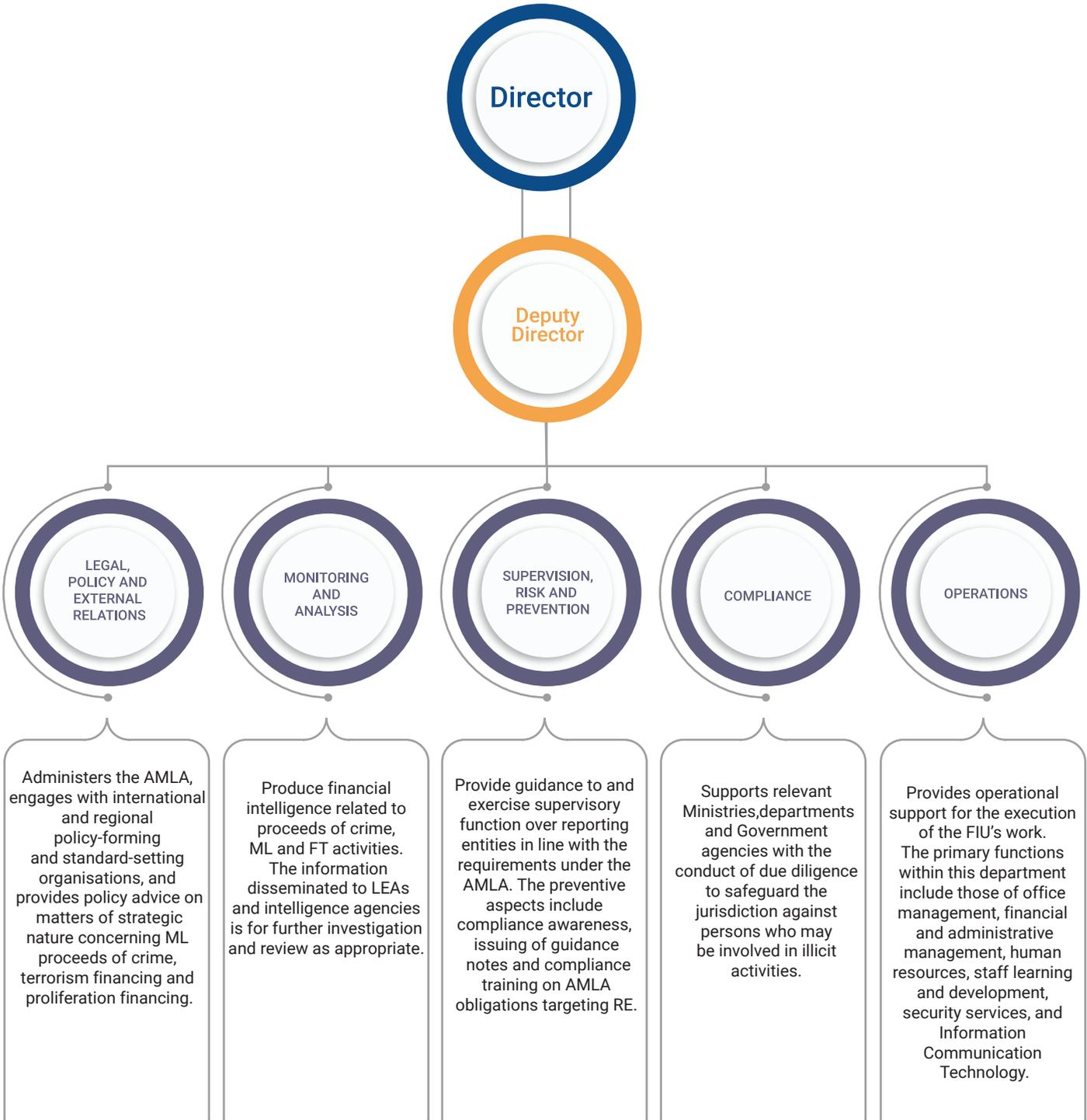


Fig.1.0 New FIU structure

# VISION, MISSION VALUES

## VISION



To safeguard the financial system through adherence to international best practices and position Seychelles as a leading jurisdiction within the region in the fight against Money Laundering, Terrorist Financing and Proliferation Financing.



## MISSION



To deter, detect and disrupt domestic and international Money Laundering, Terrorist Financing and Proliferation Financing. through ensuring regulatory compliance, the development of high-quality intelligence reports, the enhancement of domestic and international cooperation.

## VALUES



Professionalism; Justice; Accountability; Cooperation; Mutual respect; Trust; Initiative; Confidentiality; Integrity and Transparency.

01

### ROBUST SYSTEM TO DETECT AND DETER FINANCIAL CRIMES

Strengthen the FIU's financial intelligence framework to assist domestic and international authorities to detect, deter, and prosecute financial crime.



03

### INFORMATION COMMUNICATION TECHNOLOGY

Develop and implement ICT plans to support the FIU to fulfil its regulatory and operational mandate.



05

### AN INNOVATIVE, HIGH-PERFORMING, AND DIVERSE WORKFORCE

Ensure the FIU has high-performing employees operating in a stimulating and responsible working environment.





02

#### COMPLIANCE CULTURE AND SYSTEM

Implement oversight and supervision of the designated non-financial businesses professions in strict compliance with international standards.



04

#### STRATEGIC POSITIONING

Actively engage all stakeholders to build meaningful partnership and re-position the FIU as a leading AML/CFT Regulator.

## STRATEGIC PILLARS

The priority areas have been formulated from the analysis of the Seychelles AML/CFT framework established through the NRA and MER. The FIU's Strategic direction is informed by our vision and mission. The diagram above provides a pictorial view of our five (5) strategic pillars which will allow the FIU to achieve its desired outcome from 2019-2022.

# 01 STRATEGIC OBJECTIVE

## ROBUST SYSTEM TO DETECT AND DETER FINANCIAL CRIMES

Strengthen the FIU's financial intelligence framework to assist domestic and international LEAs to detect, deter, and prosecute financial crime.

1.1

Develop a training programme for Financial Analysts to improve the level of tactical, operational and strategic analysis on information received to better identify possible indicators of financial crime;

Partner with Foreign FIU's from mature jurisdictions to organise exchange programmes for FIU staff;

1.2

1.3

Seek Technical Assistance ("TA") from foreign counterparts to support the FIU with resident financial specialists to mentor staff and prepare training programmes for the transference of knowledge and skills;

Develop protocols and interface to reinforce communications with LEAs and supervisory Authorities and international partners to maximize appropriate dissemination and use of FIU's analytical products to detect AML/CFT activity, investigate financial crimes (including tax evasion), disrupt criminal activity, secure prosecutions and confiscate proceeds of crime;

1.4

1.5

Engaging with REs in a meaningful partnership, particularly in regards to improving the quality of STRs reporting, ML and TF typologies and emerging threats;

Strengthen information exchanges and participation of the FIU in initiatives to meet national and international obligations; and

1.6

1.7

Develop a coordinating mechanism for all the sectoral supervisors to coordinate domestically and effectively exchange information with other supervisors on supervisory approaches, supervisory expectations and supervisory actions, and other competent authorities where necessary, to continuously update the national understanding of ML/ TF and PF risk.

# 02 STRATEGIC OBJECTIVE

## COMPLIANCE CULTURE AND SYSTEM

Implement oversight and supervision of the designated non-financial businesses professions (“DNFBPs”) in strict compliance with international standards.

2.1

Develop and implement a supervisory program providing for the application of risk-based supervision of relevant reporting sectors under the FIU’s purview;

Conduct risk-based independent or joint supervision both on the DNFBP and NPO sector;

2.2

2.3

Enforce timely and appropriate sanctions in cases of non-compliance in terms of the AMLA; and

Design and deliver independent or joint outreach and awareness raising seminars on AML/CFT/CPF for all RE under the FIU’s regulatory purview.

2.4

# 03

## STRATEGIC OBJECTIVE

### INFORMATION COMMUNICATION TECHNOLOGY

Develop and implement ICT plans to support the FIU to fulfil its regulatory and operational mandate.

3.1

Secure financial resources to improve the FIU’s technology infrastructure to support its work-force and improve the quality of the material it receives and produces;

Introduce new analysis and monitoring tools to support proactive identification of trends and patterns from information/ data received and disseminated;

3.2

3.3

Install and implement a case management system to support operations;

Work with relevant LEAs to obtain access to key extrinsic data sources to support and enhance FIU’s analytical functions;

3.4

3.5

Build capacity and skills of IT personnel to support the institution on critical applications or systems; and

Employ technology to standardize system for electronic filling of reports, to improve the quality and speed of feedback and process for analysis and generating of statistical data to support the regulatory compliance process as well as management.

3.6

# 04 STRATEGIC OBJECTIVE

## STRATEGIC POSITIONING

Actively engage all stakeholders to build meaningful partnership and re-position the FIU as a leading AML/CFT Regulator

4.1

Review the AMLA through stakeholder engagement, to harmonise the new legislation for increased effectiveness and to improve reporting entities understanding of their AML obligation and compliance level within the jurisdiction;

Increase the visibility and presence of the FIU in Global fora such as Egmont group and ESAAMLG;

4.2

4.3

Engage with domestic stakeholders to deliver sensitization programme on AML related issue to create a culture of compliance within the jurisdiction;

Reinvigorate the FIU to amplify domestic acuity by promoting effectiveness, institutional integrity, increasing cooperation and the quality of the FIU's operational outputs;

4.4

4.5

Reshape and strengthen reporting entities relation with the FIU, through effective outreach, monitoring and supervision; and take timely and equitable enforcement action to redress cases of non-compliance; and

Promoting the FIU through the use of information technology infrastructure to support its workforce.

4.6

## 05 STRATEGIC OBJECTIVE

AN INNOVATIVE, HIGH-PERFORMING, AND DIVERSE WORKFORCE

Ensure the FIU has high-performing employees operating in a stimulating and responsible working environment.

5.1

Review and revise the FIU's operational structure to reflect its new vision, mission and strategic direction as the lead AML/CFT regulator in the country;

Develop a training and talent development strategy for FIU, through the conduct of an institutional capability and talent gap analysis;

5.2

**5.3**

Develop and implement a training and development programme to ensure that employees have the skills needed to achieve FIU's mandate and mission; and to advance within the Divisions;

Promote innovative thinking at all staff levels to address evolution within the financial sector and methods to deter potential abuse;

**5.4**

**5.5**

Identify and address barriers to recruiting and retaining a diverse and high performing workforce through the development of scheme of service for FIU staff;

Strengthen the FIU's internal communications, collaboration and ethical conduct across and within organizational functions and programs through the conduct of specialised training sessions;

**5.6**

**5.7**

Set up performance management development system to clearly define and communicate performance expectations and formally evaluate employee performance; and

Set up relevant polices to promote and support sound operational and environmental practices.

**5.8**

# KEY FACTORS AFFECTING THE ACHIEVEMENT OF FIU'S STRATEGIC OBJECTIVES

The following are critical internal and external factors with the potential to affect the FIU's success.

## LEGISLATION

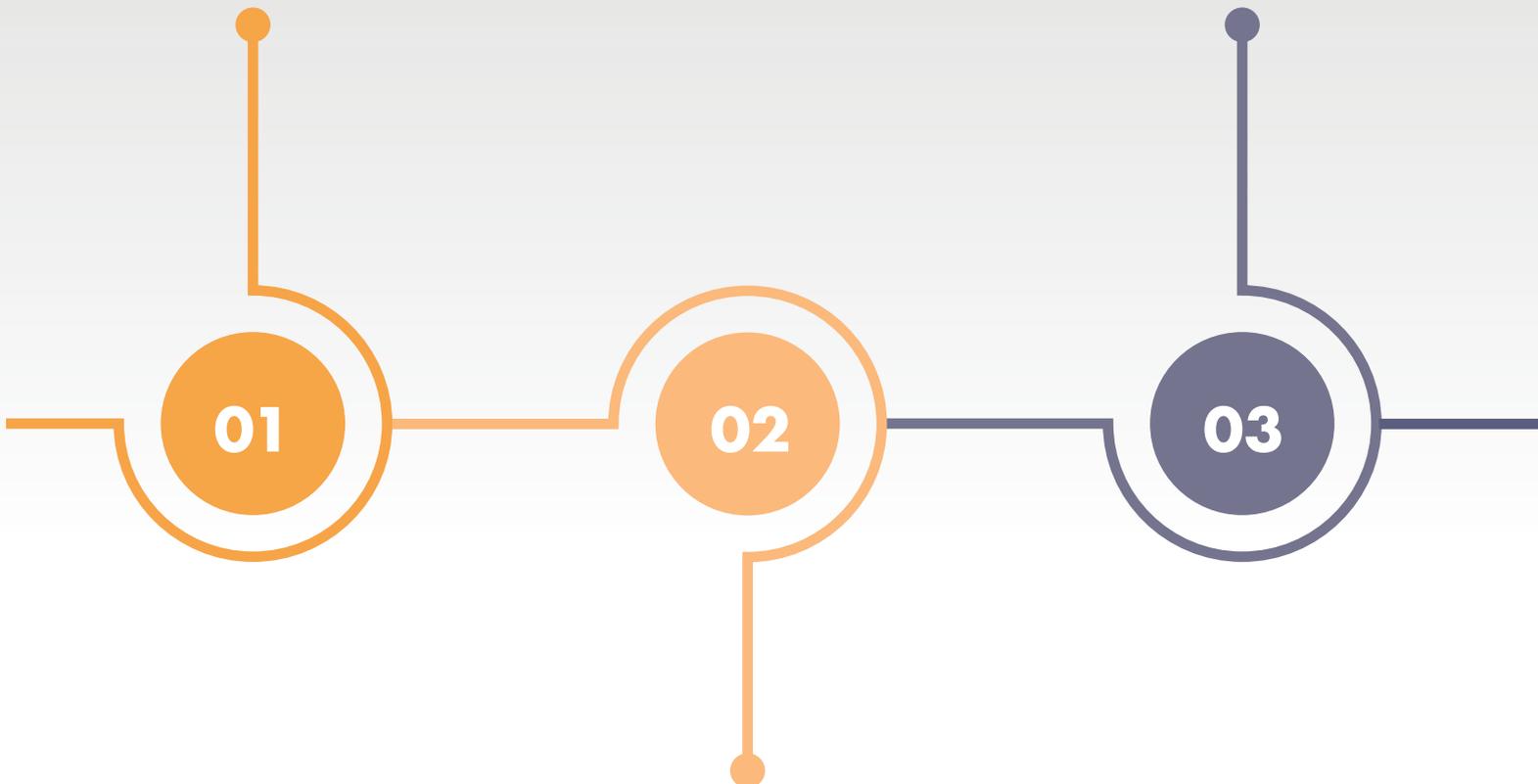
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For Seychelles to be fully compliant with the FATF Standards and to redress the deficiencies identified in the AMLA and other supporting legislative framework through the MER, a series of legislative changes is required. Contentious matters from stakeholder can seriously hinder the timeframe for the completion of the legislative review process.

## TECHNOLOGY

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Modern and efficient IT platforms/systems including reliable databases of domestic institutions is paramount for the FIU in fulfilling the programme set out in this strategy. It is therefore critical for a national effort to be made to ensure that adequate IT infrastructure is in place by all relevant institutions.



## FINANCIAL RESOURCE

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The FIU is budget dependent and its operational funding is voted by the National Assembly. It follows the Programme Performance-Based Budgeting ("PPBB") which is spearheaded by the Ministry of Finance Trade Investment and Economic Planning which aims at allocating public resources to prioritise objectives as identified by the budget dependent Ministries. The findings of the 2018 MER have revealed serious deficiencies in the FIU technical and operational framework. Financial resources is key for some of the Institutional reforms that is required for the FIU to become effective as budget constraints is a major factor which may affect the success of this strategic plan.

## FINANCIAL SERVICES

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Changes in the financial services sector, and the development of new products and services are expected to present regulatory and law enforcement challenges. Virtual currencies make it more difficult to identify and track transactions related to ML and other financial crimes. The FIU is already behind within this sphere and the target is to increase knowledge of staff through extensive training and partner with more advanced counterparts learn through best practices.

04

### HUMAN RESOURCE

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To achieve its goals, FIU must recruit and retain talented personnel with specialized knowledge and skills in financial services, regulatory activity, analytical techniques, liaison activities, and other areas essential to FIU operations. However, the FIU is competing with other institutions offering higher salaries, superior benefits, or more attractive work environments. FIU aims to redress this challenge by offering better remuneration package through a new Scheme of Service which will offer employee's ample opportunities for training and development.

05

06

### DOMESTIC & INTERNATIONAL COOPERATION

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There is need to strengthen relations with the LEAs and improve coordination, cooperation and exchange of information both domestically and internationally. Through the dissemination of information to LEAs and/or other competent bodies, the FIU requests feedback regarding the use and effectiveness of financial intelligence provided. This is important in regards to the quality and usefulness of intelligence disseminated. As such, there is improvement to be made in this aspect with both our domestic and international counterparts.

## STRENGTHS

- Relatively young and small organisation which provides good level of responsiveness per stakeholder requirements;
- Currently fit for purpose and secure infrastructure for the management of data and the production of financial intelligence; and
- Accessibility to multiple sources of data that can be mined for development of useful financial intelligence on persons and institutions that are of interest to law enforcement and other relevant authorities.

## THREATS

- Potential challenges from stakeholders to the need for increasingly tighter financial regulatory controls;
- Potential disruption arising from increasingly innovative global and domestic financial system products, services and technologies;
- Emerging dangers posed by organised crime; and
- Lack of political will to take a “whole of government” approach to combating ML associated predicate offenses, and TF.

01

SW

04



OT

02

03

## WEAKNESSES

- Scarce specialist skills in the growing fields of data management and financial intelligence gathering and analysis;
- Inadequate use of potential synergies between various internal core functions and domestic counterparts;
- A shortage of Financial and Human resources to adequately conduct its core functions;
- Difficulties to attract and retain skilled staff, mainly due to lack of funding for better competitive conditions of service; and
- Lack of easy access to electronic - administrative, law enforcement and other data to assist in operational and strategic analysis.

## OPPORTUNITIES

- Growing recognition of the economic and societal value of having a financial system that is trusted within the country and abroad;
- Growing recognition that collaboration between relevant stakeholders can assist to deter, detect and combat financial crimes;
- Potential for higher levels of voluntary reporting by reporting entities of suspicious activity; and
- Increase accessibility to multiple sources of financial data that can be mined for development of useful financial intelligence.





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