

FINANCIAL INTELLIGENCE UNIT
ANNUAL REPORT
2020



MINISTRY OF JUSTICE
CRIMINAL POLICE
PORTUGAL



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FOREWORD

In 2020, as always, the FIU tried its best to keep the effectiveness levels, despite the increase in the workload (suspicious transaction reports, domestic requests for information, international requests for information, training, participation in working groups, among others), with emphasis to the reports received from the obliged entities under the duty to refrain, provided for in article 47 of Law 83/2017, of 18/08, according to which a response from the Public Prosecution (DCIAP) has to be provided within a maximum of 3 days.

This exponential growth in the daily tasks (within the framework of the reception, analysis, collation and dissemination of information on ML/TF), is evident and proportional to the competences and responsibility of the FIU.

Nonetheless, more than a year after the entry into force of Law 83/2017, of 18/08, some obliged entities still scarcely or never submit any reports at all, there still exists a twilight zone to some entities and sectors with special reporting duties.

FOREWORD

The Criminal Police has recently purchased a new computer tool for the FIU, aiming at improving its capacities, both at the level of quality and quantity.

The goAML application, of the United Nations Organization (UNODC), was specifically designed to meet the needs of the FIUs, and as soon as it is implemented it will enable a quicker and more effective response in various aspects of its activity.

We also expect a positive impact in the entities linked to this FIU on the basis of the combat against ML/TF, in aspects such as cooperation, receiving, analyzing, disseminating and providing feedback in connection with STRs.

The ONLINE aspect of the new reporting app, consists in an Internet portal that resorts to forms very easy to fill in and which allow automatic aspects.

*In strategy, application is decisive.
(Napoleon Bonaparte)*

Vitor Paiva
Director

FINANCIAL INTELLIGENCE UNIT

**NATIONAL CENTRAL UNIT WITH
COMPETENCE TO RECEIVE, ANALYSE AND
DISSEMINATE SUSPICIOUS
INFORMATION ON MONEY LAUNDERING
OR TERRORISM FINANCING, CREATED BY
DECREE –LAW NO. 304/2002, OF 13
DECEMBER.**

The Financial Intelligence Unit is the national central unit with competence to receive, analyze and disseminate information on suspicions of money laundering or terrorism financing.

Bearing in mind the competences that the FIU also holds in terms of tax-related offences, the FIU counts on the Liaison Standing Group, constituted by officials of the Taxes Administration.

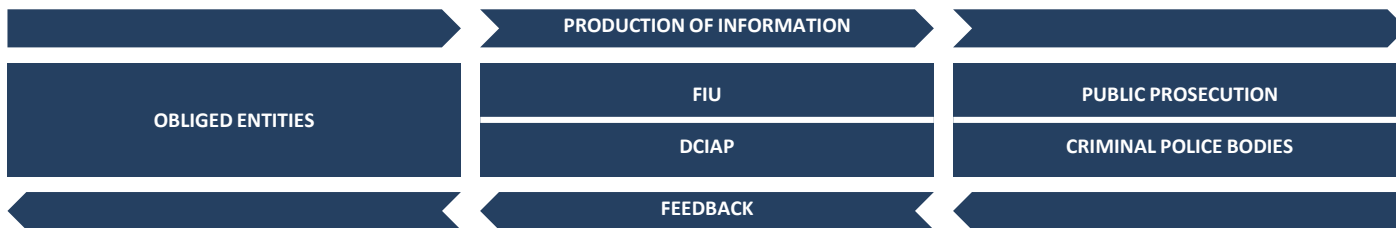
The suspicious transaction reports (STRs) sent by the obliged entities are received through the e-mail address of the FIU (uif.comunicacoes@pj.pt) and the e-mail address of the Public Prosecution Central Department – DCIAP (uai.dciap@pgr.pt)

FINANCIAL INTELLIGENCE UNIT

Within the framework of the analysis of the suspicious transaction reports, the FIU works with the Investigation and Public Prosecution Central Department (DCIAP), with whom it exchanges information, through analysis reports.

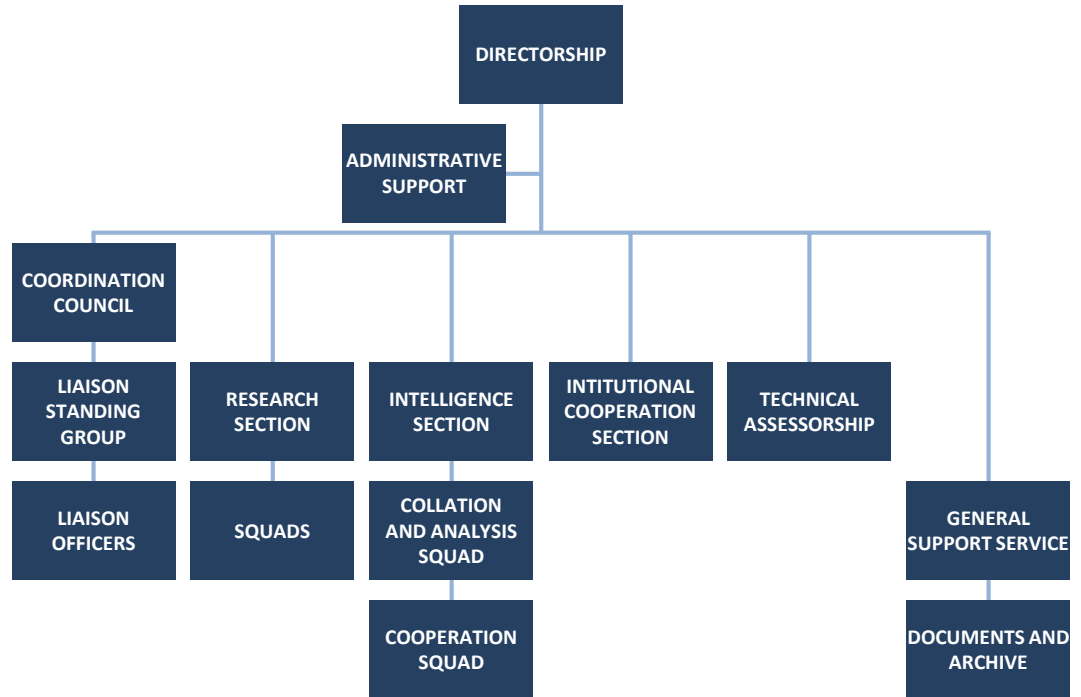
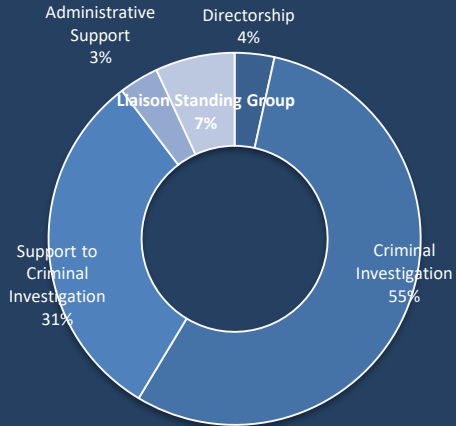
All the information submitted within the framework of the ML/TF preventive system, under Law No. 83/2017, of 18 August, must be sent simultaneously to both the FIU and the DCIAP.

The FIU must provide feedback on the suspicious reports received (the result of the analysis and the respective forwarding).



FINANCIAL INTELLIGENCE UNIT

HUMAN RESOURCES



SUSPICIOUS REPORTS RECEIVED

**IN 2020, 7.976 STRs AND 32.356
THRESHOLD REPORTS, FROM ALL THE
SECTORS INVOLVED, WERE RECEIVED
AND ANALYSED.**

In 2020, 7.976 STRs and 32.356 threshold reports – from which 31.627 within the framework of Ministerial Order No. 310/2018 - from all the sectors involved.

From the 7.976 suspicious transaction reports, 5.910 originated from the obliged entities within the financial sector, 252 from the sectoral authorities of the financial sector, 248 from the obliged entities within the non-financial sector, 19 from the respective Control and Supervising Authorities, 1543 from auxiliary entities, 3 from the respective Supervising Authorities, and 1 from other entities.

It should be mentioned that from this overall number of 7.976 suspicious transaction reports, 683 were under Article 47 of Law 83/2017, of 18/08, this is to say the duty to refrain. From these, 665 originated from the financial sector, and the remaining 18 from the non-financial sector.

In terms of percentages, we had an increase of 3,9% as far as suspicious transactions reports are concerned, and a decrease of 18,2% in the threshold reports.

SUSPICIOUS REPORTS RECEIVED

AS FAR AS CREDIT INSTITUTIONS ARE CONCERNED, THERE WAS A DECREASE OF 3,15% IN THE NUMBER OF REPORTS RECEIVED, COMPARED WITH THE PREVIOUS YEAR.

In the financial sector, when compared with 2019, there was a decrease of 3,15% in the number of suspicious reports.

Financial Entities	Incoming
Banks	3501
Central and branches of agricultural cooperative Bank	218
Savings banks	496
Insurance companies	7
Entities providing postal services relating to financial products available on their own	79
Offices of payment institutions located in the EU	14
EU credit institutions with a free regime for services providing	80
Electronic currency institutions	2
Payment institutions	165
Payment institutions located in the EU with a network of agents	1233
Payment institutions located in the EU with a free regime for services providing	1
Financial credit institutions	8
Financial brokers registered in Portugal	2
Other companies (subparagraph I) of paragraph 1, article 6 of RGICSF)	2
Risk capital companies	3
Financial brokerage companies	5
Financial Credit companies	2
Companies managing real estate investment funds	1
Collective investment managing companies	8
Equity managing companies	1
Property managing companies	3
Branches of credit institutions located in the EU	78
Branches of payment institutions located in the EU.	1
Total:	5910

SUSPICIOUS REPORTS RECEIVED

AS TO SECTORAL ENTITIES, THERE WAS A
DECREASE OF 31% IN THE NUMBER OF
SUSPICIOUS REPORTS RECEIVED,
COMPARED WITH 2019.

The volume of suspicious transaction reports from sectoral entities within the financial sector, decreased 31% in relation to 2019 (decrease of 35,15%, in the case of the Central Bank; increase of 1300%, in the case of the Securities Market Commission).

Supervising Authorities – Financial Sector	Incoming
Central Bank	238
Securities Market Commission	14
Total:	252

SUSPICIOUS REPORTS RECEIVED

As to the non-financial sector, when compared with 2019, there was an increase of 11,21% in the number of suspicious reports, with an emphasis on the real estate sector (660%) and online gaming (444,4%).

Contrarily, entities with concessions to exploit games in Casinos and Bingo had a decrease of 45,95%.

IN THE NON-FINANCIAL SECTOR, THERE WAS AN INCREASE OF 11.21% IN THE NUMBER OF SUSPICIOUS REPORTS RECEIVED, WHEN COMPARED WITH 2019.

NON-FINANCIAL ENTITIES	Incoming
Real estate activities	38
Entities with concessions to exploit games in Casinos and Bingo	80
Entities covered by the legal provisions of online bets and gaming	49
Entities paying prizes from Bets and Lotteries	80
Other consulting activities for business and management	1
Total:	248

SUSPICIOUS REPORTS RECEIVED

**AS TO THE SECTORAL ENTITIES
(CONTROL) OF THE NON-FINANCIAL
SECTOR, THERE WAS A REDUCTION OF
40.6% IN THE NUMBER OF SUSPICIOUS
REPORTS, WHEN COMPARED WITH 2019.**

As to the Supervising and Control Entities of the Non-Financial Sector, there was a decrease of 40,6%, mainly due to the Food Safety and Economic Authority (decrease of 77,4%).

Supervising and Control Entities - Non-Financial Sector	Incoming
Food Safety and Economic Authority	7
Public Markets, Real estate and Construction Institute	3
Bar Association	5
Statutory Auditors Association	4
Total:	19

SUSPICIOUS REPORTS RECEIVED

AS TO THE AUXILIARY ENTITIES, THERE WAS AN INCREASE OF 70.87% IN THE SUSPICIOUS TRANSACTION REPORTS, COMPARED WITH 2019.

As to the Auxiliary entities, there was an increase of 70,87% compared with 2019, although there was a reduction of 75% within the respective supervision.

Auxiliary Entities		Incoming
Registrars		1335
Notaries		208
	Total:	1543

Auxiliary Entities - Supervision		Incoming
Registrars and notaries Institute		3
	Total:	3

SUSPICIOUS REPORTS RECEIVED

AS TO OTHER ENTITIES, THERE WAS A REDUCTION OF 75% IN THE SUSPICIOUS TRANSACTION REPORTS, COMPARED WITH 2019.

As to Other Entities, there was a reduction of 75% in relation to 2019, with the FIU producing a report for analysis.

Other entities	Incoming
Financial Intelligence Unit	1
Total:	1

THRESHOLD REPORTS RECEIVED

As to the Taxes and Customs Authority, the reports are submitted within the framework of Decree-Law No. 61/2007, of 14 March, relating to the carriage of cash. There was an increase of 11.5% in the number of threshold reports sent by the Taxes Authority (AT). This data is normally sent to the FIU on a quarterly basis, and they are dealt with similarly to any other report.

Concerning the Ministerial Order No. 310/2018, of 4 December, there was an increase of 70% in the number of reports.

THRESHOLD REPORTS	Number
Ministerial Order 310/2018	31627
Cash – Customs	410
Real estate (above €3.000,00)	319
Total:	32356

THRESHOLD REPORTS RECEIVED

Breakdown of the threshold reports relating to cash and those within the Ministerial Order No. 310/2018:

Cash AT - 2020	Nº	Amount €
Origin PT	63	2.428.324,50
Destination PT	330	47.243.790,26
Transit PT	17	1.841.376,82
Total:	410	51.513.491,58

Ministerial Order 310/2018 - 2020	Incoming
Subparagraph a)	10009
Subparagraph b)	4859
Subparagraph c)	2746
Subparagraph d)	1
Subparagraph e) – Insurance redemption	14012
Total:	31627

SUSPICIONS CONFIRMED

IN ADDITION TO THE REASON FOR THE
SUSPICION FOUND BY THE REPORTING
ENTITY, THE ANALYSIS OF THE REPORTS
ALSO TAKES INTO ACCOUNT
SUPPLEMENTARY INFORMATION.

The reports received concern all the information that was sent to the FIU.

As to the investigations started, the number concerns the reports that, after a first analysis, were thought to be worth an additional research at this FIU for further analysis. The analysis carried out reflects the information that was collected, either of judicial, law enforcement, financial, administrative or open source nature.

Concerning the number of suspicions that were confirmed, it concerns the situations in which there were grounds to confirm the reported suspicion. These cases are forwarded to the judicial authorities and to the competent criminal police bodies.

SUSPICIONS CONFIRMED

The evaluation of the intelligence that arrives at the FIU, in addition to the reason for the suspicion found by the reporting entity, also takes into account other information from databases or which was collected from other sources. This information is not limited to the transaction in question, but aims at knowing the persons involved. The time frames taken into account are larger than those indicated in the suspicious transaction report.



From the 1.517 investigations that were opened, 475 concern international cooperation and 99 domestic cooperation.

From the suspicions that were confirmed, 782 concern money laundering, 4 the financing of terrorism and 80 were undefined.

PREDICATE OFFENCES

**THE PREDICATE OFFENCES DETECTED ARE
MERE INDICATIONS AND THEY ARE
MAINLY BASED ON THE EXISTENCE OF
LAW ENFORCEMENT AND OTHER
RECORDS.**

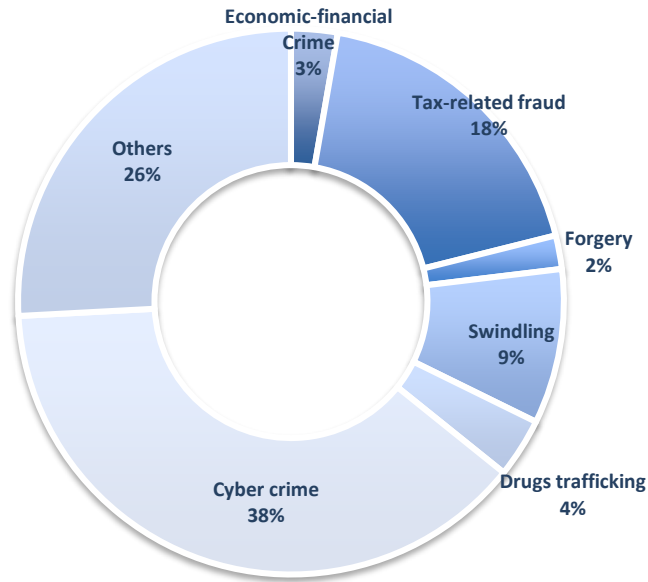
The predicate offences referred to are mere indications. This classification is linked to law enforcement and other records that were researched as far as the targets in the reports are concerned.

The indication aims at providing clues for further investigation, while also being an indicator for the competent investigation entities in order to disseminate analysis reports.

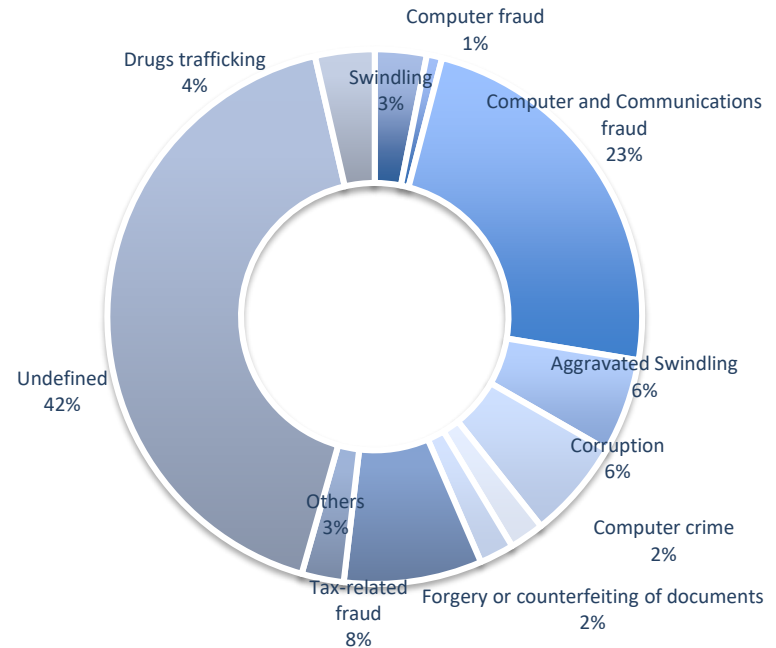
Cyber crime is still the most detected predicate offence, followed by swindling, tax related fraud and corruption, with drugs trafficking increasing in almost 35% in relation to 2019.

PREDICATE OFFENCES TO MONEY LAUNDERING

2019



2020



TERRORISM FINANCING

THE LINK TO TERRORISM FINANCING
IS MAINLY BASED ON THE PREVIOUS
EXISTENCE OF POLICE RECORDS OR
OTHERS.

There was an increase of 100% in the reports featuring at least one individual appearing on an exclusion/intelligence map or list within the framework of international terrorism (from 2 to 4).

PROPOSALS FOR FREEZING

**THE PROPOSALS FOR FREEZING ARE
MAINLY BASED ON THE EXISTENCE OF
LAW ENFORCEMENT RECORDS, OF
ONGOING INVESTIGATIONS AND ON THE
UNUSUALNESS OF THE TRANSACTION,
BEARING IN MIND THE KNOWN ACTIVITY
OF THE PARTICIPANTS.**

The amounts below refer to the cases in which there were sufficiently strong signs to lead to a proposal to the judicial authority in order to freeze the suspicious transactions in question.

Such signs are mainly based on the existence of law enforcement records, of ongoing investigations and on the unusualness of the transaction, bearing in mind the known activity, amongst other factors.

The proposed freezing aims at securing the situations which would favour money laundering if nothing was done to avoid it.

The amounts are those that appeared on the suspicious reports received from the obliged entities.

PROPOSALS FOR FREEZING

The proposals for freezing originate either from reports pursuant to the duty of refrainment (Law No. 83/2017, of 18 August, Article 47), or from reporting situations pursuant to the duty of reporting (Law No. 83/2017, of 18 August, Article 43).

Year	No. of Cases	Eur	USD	GBP
2020	300	290 351 163,83	53 414 455,73	4 806 883,72

- Comparação com períodos homólogos?
- Pode desconstruir os resultados de 2020 por meses?

EVOLUTION OF FREEZING ACTIONS

Ano	Num. Casos	Eur	USD	GBP	CAND	CHF	NZ
2015	61	48 703 111,12	9 020 698,23	100 156,52	0,00	0,00	0,00
2016	44	34 785 943,31	4 601 400,79	0,00	0,00	0,00	0,00
2017	44	10 319 027,51	2 613 997,08	0,00	0,00	0,00	0,00
2018	124	103 457 531,39	57 828 564,16	48 970,91	826 313,30	5 002,38	87 475,64
2019	225	71 381 294,76	1 905 445,00	530 000,00	0,00	0,00	0,00
2020	300	290 351 163,83	53 414 455,73	4 806 883,72	0,00	0,00	0,00
Total:	798	558 998 071,92	129 384 560,99	5 486 011,15	826 313,30	5 002,38	87 475,64

INTERNATIONAL COOPERATION

**THERE WAS A SLIGHT INCREASE IN THE
NUMBER OF COUNTERPARTS WITH
WHOM WE EXCHANGED INFORMATION.**

The Financial Intelligence Unit regularly participates in several international events, namely in the Financial Action Task Force, in the Egmont Group and in the FIU Platform of the EU.

As to the exchange of information with the other FIUs, there was an overall number of 394 exchanges of information (71 with counterparts).

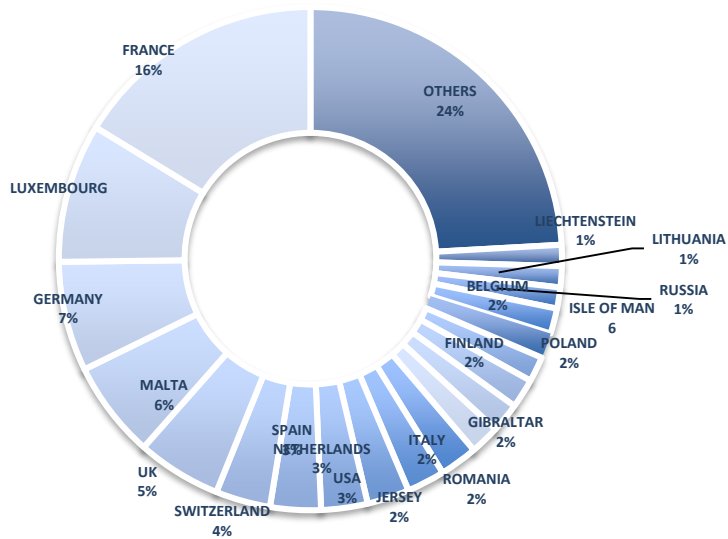
International cooperation also involved 106 other cases of information exchange, mainly through the National Europol Unit and the National Interpol Bureau.

The Units with whom the FIU had more exchanges of information were those from France, Luxembourg, Germany, Malta, UK, Switzerland and Spain.

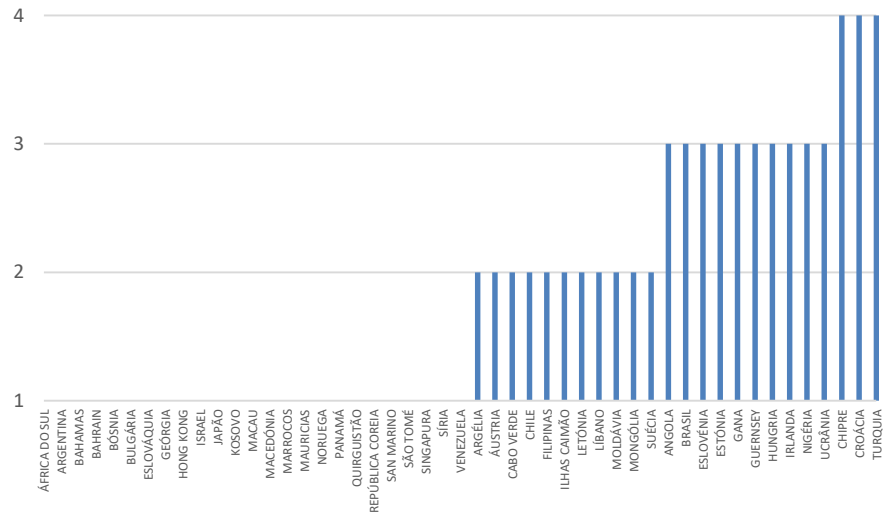
It is also worth mentioning, when looking at the tables that follow, the international aspect of the FIU as far as information exchange is concerned, which can be seen through the number of countries represented.

INTERNATIONAL COOPERATION

RECEIVED

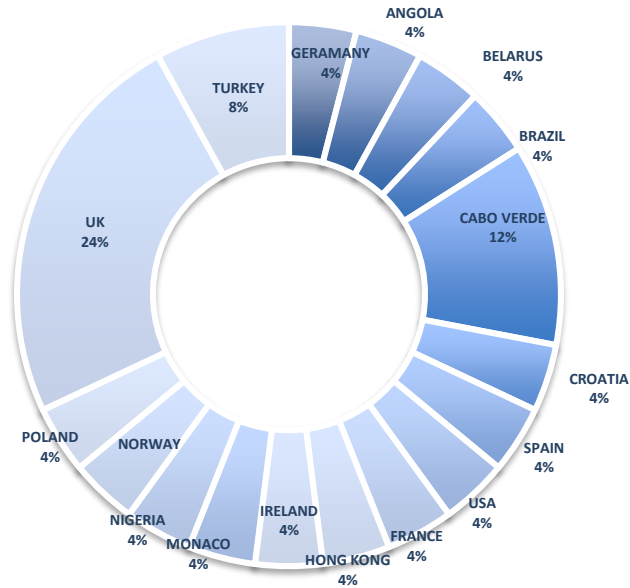


RECEIVED - OTHERS



INTERNATIONAL COOPERATION

SENT



DOMESTIC COOPERATION

**THE REQUESTS FROM NATIONAL ENTITIES
ORIGINATE MAINLY FROM THE NATIONAL
UNITS OF THE CRIMINAL POLICE.**

The requests submitted by national entities to the FIU, originate almost totally from the Units, Directorates and Departments of the Criminal Police, mainly from the National Units and from the Directorate of Lisbon and Tagus Valley. The DCIAP (Public Prosecution Central Department) also sends requests to the FIU.

In 2020, from the 99 requests submitted to the FIU, 84 illustrate this (requests submitted by the various Units and Departments of the Criminal Police). These are generally urgent, since they are linked to operational and tactical needs of the investigations in money laundering and the respective predicate offences.

The requests submitted to the GPL are covered by Decree-Law No. 93/2003, of 30 April, regulating the manner, the extent and the limits of cooperation between the Criminal Police and the Taxes Authority.

There were 167 requests submitted to the GPL, which represents an increase of 10,6% in relation to 2019 (151 requests).

DISSEMINATION OF INFORMATION

IT IS UP TO THE FIU TO DISSEMINATE RED
FLAGS AND UPDATED INFORMATION ON
TRENDS AND PRACTICES RELATING TO
PREVENTION AGAINST MONEY
LAUNDERING AND TERRORISM
FINANCING.

The FIU has cooperated with the various obliged entities in the dissemination of information on new trends and practices.

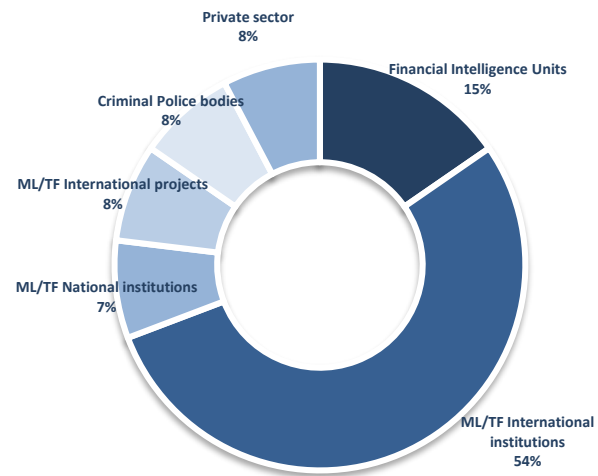
These actions are a part of the cooperation that the FIU establishes with the obliged entities, bearing in mind that they are also required to train their employees.

This dissemination focus on aspects relating to concrete cases in the reports received and analyzed by the FIU, aiming at establishing indicators and patterns in terms of money laundering and terrorism financing.

Moreover, the FIU attends regular and quarterly meetings held by the Coordination Committee for the Money laundering and terrorism financing prevention policies, as well as weekly meetings of the Permanent Secretariat of the said Committee.

DISSEMINATION OF INFORMATION

IN 2020, THE FIU COOPERATED IN 13 DISSEMINATION ACTIONS , IN SPITE OF THE LIMITATIONS IMPOSED BY THE PANDEMIC COVID-19. THIS CONTEXT LED TO MOST OF THE ACTIONS HAVING TAKEN PLACE REMOTELY (TIC).





UNIDADE DE INFORMAÇÃO FINANCEIRA

Novo Edifício-sede da Polícia Judiciária
Rua Gomes Freire
P-1169-007 Lisboa

Telephone: +351 211 967 000

Fax: +351 213 142 424

Email: uif@pj.pt

