



Bundeskriminalamt

2014 ANNUAL REPORT
Financial Intelligence Unit (FIU)
GERMANY

2014 ANNUAL REPORT FIU GERMANY

Impressum

Herausgeber:
BUNDESKRIMINALAMT
Zentralstelle für Verdachtsmeldungen
FIU Deutschland
65173 Wiesbaden

Table of Contents

1	Introductory Remarks	7
2	Number of reports filed	8
2.1	Suspicious transaction reports filed pursuant to the Money Laundering Act (MLA) and the Fiscal Code	8
2.1.1	Suspicious transaction reports filed pursuant to the MLA	8
2.1.2	Special aspects of the statistical development of the suspicious transaction reports	12
2.1.3	Reports filed by the tax authorities pursuant to Section 31 b of the Fiscal Code	13
2.1.4	Number and nationality of persons reported	14
2.1.5	Corporate headquarters	15
2.2	Results of the investigations	16
2.2.1	Status of report processing at the close of the reporting year	16
2.2.2	Connections to types of crime revealed upon completion of the clearing process	17
2.2.3	Seizures	18
2.3	Reports filed pursuant to the Iran Embargo Regulation	19
2.4	Summary of report volume	19
3	Follow-up responses by public prosecutors' offices pursuant to Section 11 (8) of the Money Laundering Act	20
3.1	Statistical analysis	20
3.2	Content-related analysis	21
3.2.1	Judgments, penalty orders, indictments and other follow-up responses	21
3.2.2	Dismissal orders	22
3.3	Conclusion	23
4	Analysis of suspicious transaction reports	24
4.1	Case analysis	24
4.2	Trends and typologies	25
4.2.1	"Financial agents"	25
4.2.2	Electronic payment systems	27
4.2.3	VAT missing trader fraud	27
4.2.4	Violation of the duty of disclosure	27
4.2.5	Voluntary disclosure	28
4.3	Operational added value of suspicious transaction reports	29

Table of Contents

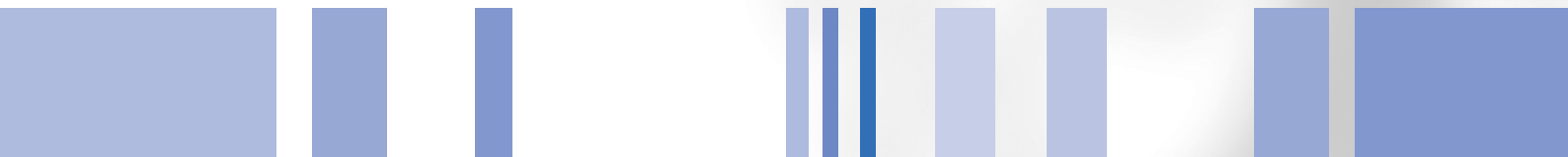
5	National co-operation	30
5.1	Public relations work	30
5.2	New indicator paper	30
6	International co-operation	32
6.1	Exchange of information with other FIUs	32
6.2	International events/contacts	35
6.3	Memorandum of Understanding	35
6.4	“FIU.Net”	36
7	Financing of terrorism	37
7.1	General information	37
7.2	Suspicious transaction reports relating to the “terrorist financing” phenomenon	37
7.3	FIU information exchange in the field of “terrorist financing”	39
7.4	Conclusion	39
8	FIU Germany – Background information	40
8.1	Legal basis	40
8.2	Performance of tasks	41
8.3	Staff	41
9	Summary and outlook	42
10	Appendices	44

Graphs

Graph 1: Development of the number of suspicious transaction reports filed pursuant to the Money Laundering Act, 2003–2014	8
Graph 2: Number of reports filed pursuant to the Money Laundering Act by reporting party (2003–2014)	11
Graph 3: Suspicious transaction reports filed pursuant to Section 11 of the MLA without the “financial agents” phenomenon	12
Graph 4: Suspicious transaction reports filed pursuant to Section 31 b of the Fiscal Code	13
Graph 5: Results of processing by the money laundering clearing offices of the Land Criminal Police Offices	16
Graph 6: Connections to types of crime identified by clearing offices in cases transferred to other investigative agencies	17
Graph 7: Development of the number of follow-up responses by public prosecutors' offices, (2003–2014)	20
Graph 8: Development of the total number of judgments, penalty orders, indictments, 2008–2014	21
Graph 9: Monitoring of suspicious transaction reports – Noteworthy cases	24
Graph 10: Number of STRs filed in connection with the “financial agents” phenomenon 2006–2014	26
Graph 11: Number of reports involving “financial agents” compared to the total number of STRs, 2006–2014	26
Graph 12: Development of the case numbers of the FIU information exchange, 2003–2014	32
Graph 13: Senders of enquiries to the FIU Germany / Total numbers, 2003–2014 (TOP 20)	34
Graph 14: Distribution of STRs filed for suspected “terrorist financing”, 2008–2014	38

Tables

Table 1: Number of reports filed pursuant to the Money Laundering Act by reporting party	10
Table 2: Nationality of the persons reported	14
Table 3: Headquarters of the companies reported	15
Table 4: Seizures within the framework of financial investigations independent of specific proceedings, 2014	18
Table 5: Overview of judgments, penalty orders, indictments, other follow-up responses, 2008–2014	21
Table 6: Predicate offences of money laundering and other offences to which the court orders refer	22
Table 7: Comparison number of judgments / penalty orders	23
Table 8: Senders of enquiries to the FIU Germany (TOP 20)	33
Table 9: Suspicious transaction reports filed for suspected “terrorist financing”, 2007–2014	37



1 Introductory Remarks

“The digital revolution has also extended into the world of crime.” Statements like these very aptly describe the essential trends and tendencies the law enforcement/prosecution agencies – and thus in particular the specialised departments combating money laundering and terrorist financing – have been dealing with more intensively in the reporting year and will have to look at even more closely in the future.

In 2014, for example, the head of a gang of “digital bank robbers” was caught. The gang had stolen credit card data from the computer system of an IT company and had obtained 40 million dollars in one night using the manipulated cards they had produced.

Another example are the increasingly emerging Internet platforms on which prohibited objects and services are offered. Besides SilkRoad2.0, Europol and the FBI shut down more than 400 such websites during the reporting year on which, inter alia, drugs, child pornography, stolen property and even contract murders were being offered. During their successful actions against these websites, the law enforcement agencies also confiscated, in addition to the “classical” assets, approx. EUR 800,000 worth of the virtual currency Bitcoin – another, relatively new dimension of crime suppression.

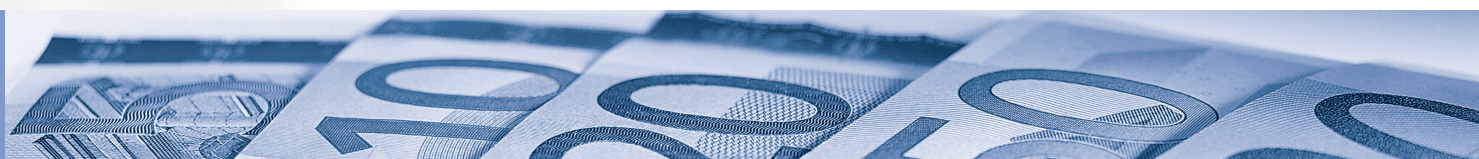
A matter of concern is the ever increasing number of significant cases of tax evasion, illegal agreements and manipulations, prohibited transactions, corruption and money laundering in which also (globally acting) financial institutions, corporations and/or their staffers are involved. Here, it seems to be evident that there is still considerable potential for optimisation in order to prevent such offences efficiently. This also requires guidelines for an appropriate corporate culture to counteract this criminal behaviour.

It is important for some market participants to regain trust in the integrity and law-abidance of their company. One step in this direction can be the filing of high-quality suspicious transaction reports.

In co-operation with the supervisory authorities, the FIU Germany will continue its efforts to encourage the parties required to report pursuant to the Money Laundering Act to file as many high-quality suspicious transaction reports as possible. In particular in the non-financial sector there is much room for improvement.

The staff of the FIU Germany would like to thank you for your constructive co-operation last year and look forward to jointly tackling the existing challenges in the future.

Dr. Michael Dewald
Head of FIU Germany



2 Number of reports filed¹

The total case figures are presented in detail in the following subchapters and – on the basis of various aspects – are to provide a comprehensive overview of the current developments of suspicious transaction reports filed pursuant to the Money Laundering Act and the resulting investigations.

¹ The case figures mentioned in this report and the tables and graphs published in chapters 2, 3 and 4 are based on data provided to the FIU Germany due to its original jurisdiction. Only when drawing up the graphs *Results of processing by the clearing offices of the Land Criminal Police Offices and Connections to types of crime identified by the clearing offices in cases forwarded to other investigative agencies* has use been made of the data recorded by the clearing offices of the Land Criminal Police Offices, which are competent for the police analysis of suspicious transaction reports (STRs).

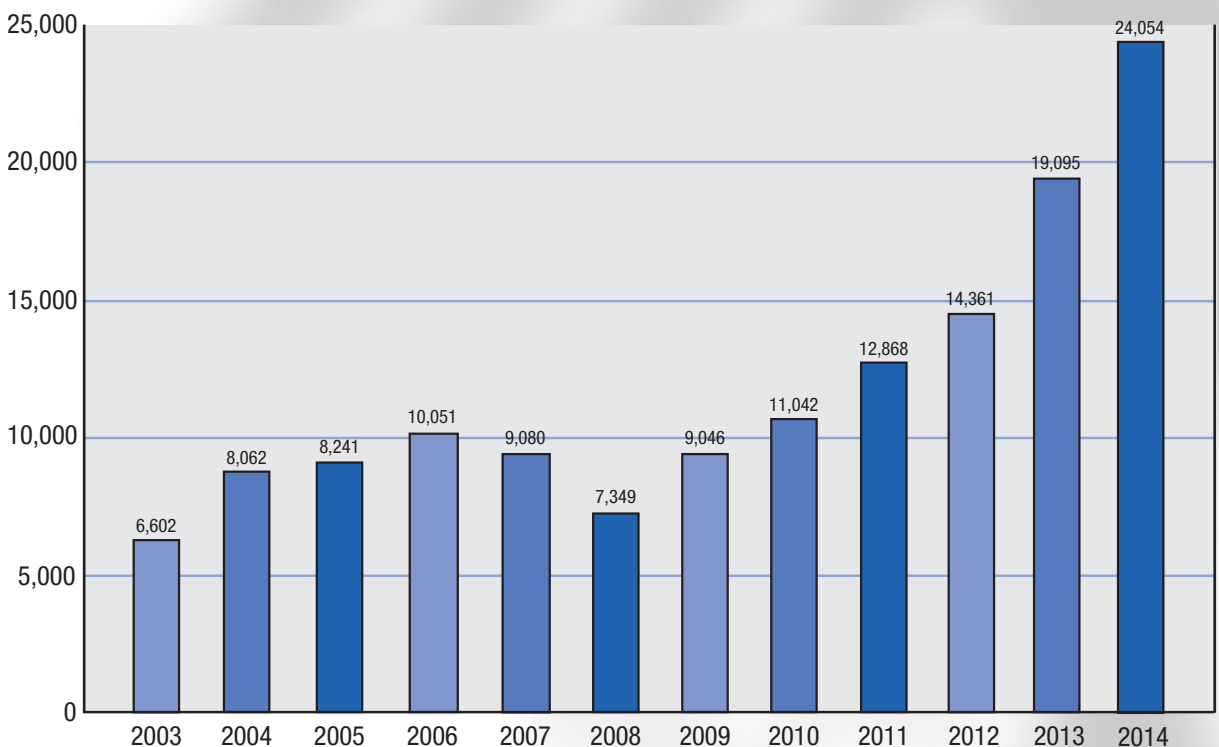
² The value for the 2013 reporting year is indicated in parentheses.

2.1 Suspicious transaction reports filed pursuant to the Money Laundering Act (MLA) and the Fiscal Code

2.1.1 Suspicious transaction reports filed pursuant to the MLA

In 2014, the FIU received a total of 24,054 (2013: 19,095)² suspicious transaction reports filed pursuant to the Money Laundering Act (Sections 11, 14 of the MLA). This results in an increase of the case numbers by 4,959 (4,734) suspicious transaction reports, which is an increase rate of 26% (approx. 33%). This is again a peak level of suspicious transaction reports filed. The permanent increase – beginning in 2008 – continues. Since the beginning of the statistical data collection in 2003, the number of suspicious transaction reports increased by more than 3.5 times.

Graph 1: Development of the number of suspicious transaction reports filed pursuant to the Money Laundering Act, 2003–2014



Graph 1 shows the development of the suspicious transaction reports filed pursuant to the MLA (without follow-up reports) from 2003 to 2014.

In addition to the 24,054 initial reports, another 1,926 (1,621) follow-up reports relating to previous suspicious transaction reports were received at the FIU. They were also recorded and subjected to analysis. The increase of follow-up reports by 305 (486) corresponds to an increase rate of 19% (43%) and is therefore not as high as in 2013.

Thus, the total number of reports received amounts to 25,980.

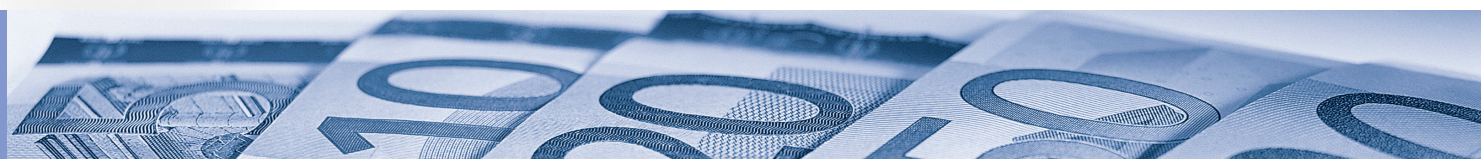
With 87% (87%) of the suspicious transaction reports, most of the STRs were filed by the credit institutions this year again. Their number amounts to 20,998 (16,686). The savings banks sector recorded the largest rise with 36% (29%). Compared to the previous reporting year, the credit banks filed 26% (49%) more suspicious transaction reports. In contrast, the credit institutions organised on a co-operative basis recorded an increase of only about 15% (18%).

As for the rest of the “financial sector”, 2,783 suspicious transaction reports (2,213) were recorded in the reporting period which results in an increase of 26% (17%). The financial services providers make up the biggest proportion with 1,861 suspicious transaction reports (1,463) and a resulting increase rate of 27% (13%).

The “non-financial sector” filed 245 (163) STRs in the reporting year and recorded the largest rise with 50% (27%) compared to the figures of the previous year; however, this is still a very low absolute level.

Within this group of parties required to report, the lawyers filed 23 (10) suspicious transaction reports and thus more than doubled the number in comparison to the previous year. They exceed the level reached in 2012 when 20 suspicious transaction reports had been filed. The “persons commercially trading in goods” filed 149 (100) suspicious transaction reports in the period under review, thus achieving an increase rate of 49%.

As regards these high mathematical increase rates, it has to be considered, however, that – as before – only 1% (0.9%) of the suspicious transaction reports are filed by the “non-financial sector” although the parties required to report in this sector are much stronger in terms of numbers than those belonging to the “financial sector”.



The following Table 1 gives a detailed overview of the number of suspicious transaction reports filed pursuant to the Money Laundering Act, broken down by reporting party.

Table 1: Number of reports filed pursuant to the Money Laundering Act by reporting party

	2014	2013	
Credit institutions	Credit banks	6,876	5,451
	Saving banks (Sparkassen and Landesbanken)	8,444	6,200
	Credit unions and co-operatives	3,678	3,194
	Deutsche Bundesbank and main branches	27	14
	Other	1,973	1,827
	Total	20,998	16,686
Insurance companies	142	125	
Financial services providers	1,861	1,463	
Financial enterprises	307	293	
Authorities (Sec. 14 and 16 of the MLA)	473	332	
Total	2,783	2,213	
Parties required to report (Sec. 2(1) no 7–13 of the MLA)	Lawyers	23	10
	Legal advisors (chamber)	0	0
	Patent attorneys	0	1
	Notaries	1	1
	Debt-collection companies, asset managers	1	0
	Auditors	4	1
	Certified accountants	0	0
	Tax consultants	7	3
	Agents in tax matters	0	0
	Trustees, service providers for companies	0	1
	Real estate agents	18	14
	Casinos	42	32
	Operators and brokers of online gambling	0	0
	Persons who deal in goods	149	100
Total	245	163	
Other reports filed pursuant to the Money Laundering Act	28	33	
Totale	24,054	19,095	

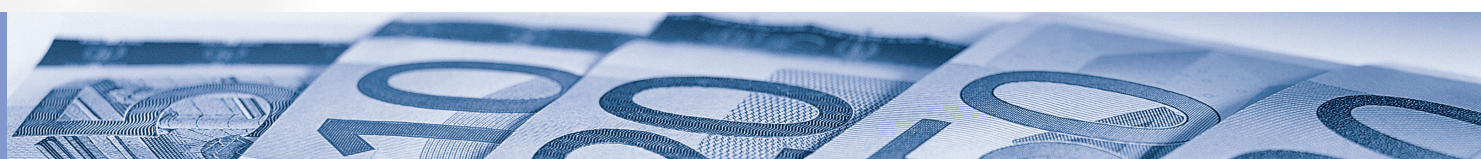
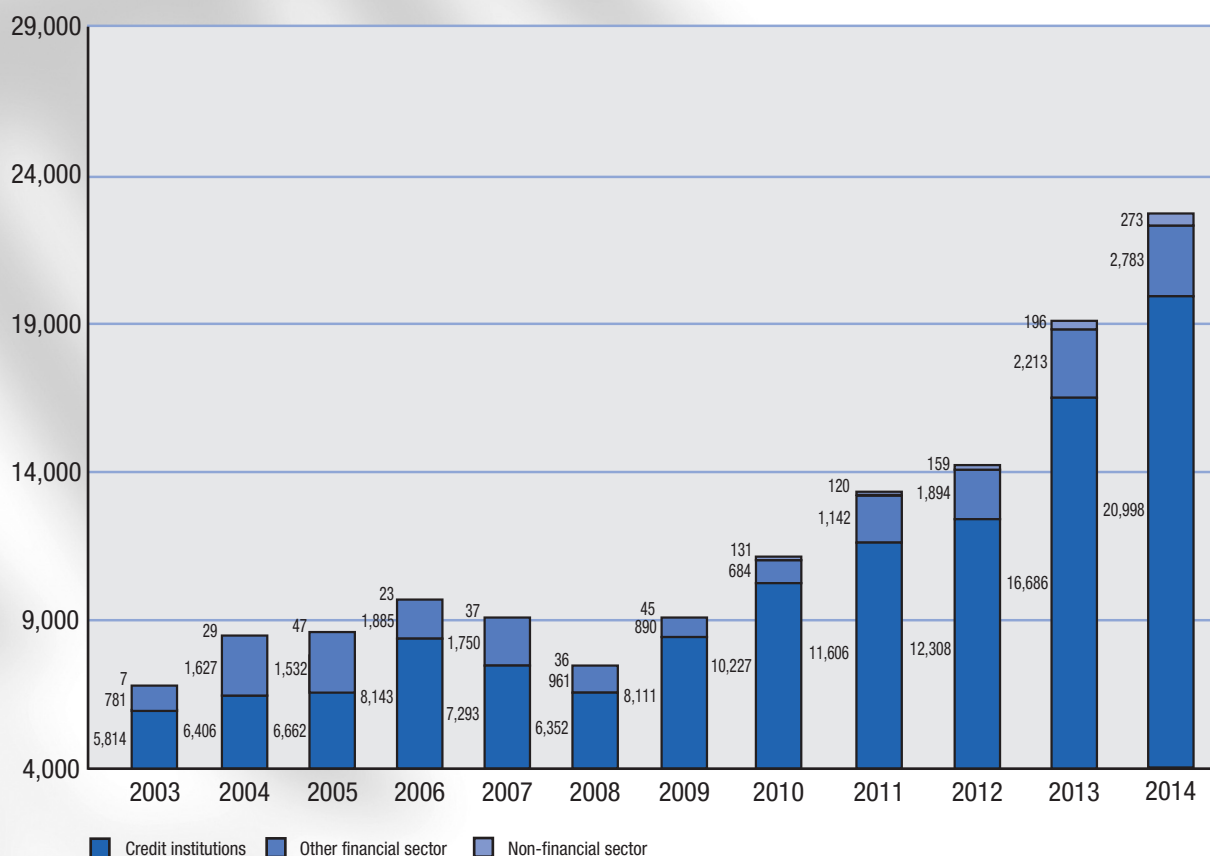
Distribution of suspicious transaction reports by sectors, 2003–2014

When looking at the past years, the “financial sector” constantly plays the prominent role as regards the filing of suspicious transaction reports. The financial sector includes the credit institutions, the insurance companies, the financial services providers, the financial enterprises and the authorities pursuant to sections 14, 16 of the Money Laundering Act. The reporting parties from the “non-financial sector” are still considerably underrepresented, but, in the long term, a continuous rise is identifiable here as well.

The following graph shows this long-term development of suspicious transaction reports, broken down by *credit institutions, other financial sector and non-financial sector*.

Considering the total number of all suspicious transaction reports filed in the past twelve years (139,851), it can be stated that only approximately 1% of all suspicious transaction reports were filed by the non-financial sector.

Graph 2: Number of reports filed pursuant to the Money Laundering Act by reporting party (2003–2014)



2.1.2 Special aspects of the statistical development of the suspicious transaction reports

Share of the “financial agents” phenomenon in the total number of STRs filed

The “financial agents” phenomenon did not have such a big share in the suspicious transaction reports as in the previous years. It amounts to “only” 10% compared to the total number, but it is, nevertheless, the most prominent phenomenon.

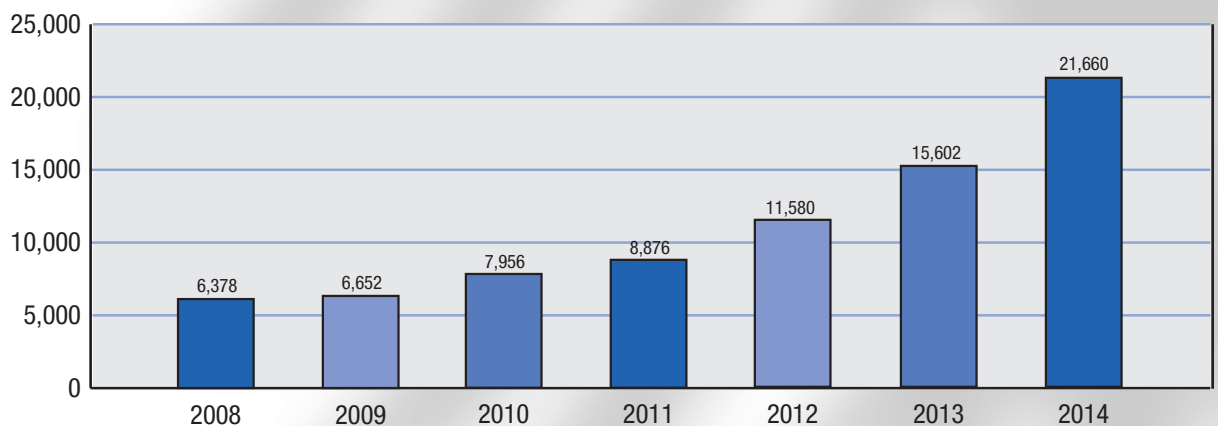
When looking at the number of suspicious transaction reports with links to “financial agents”, the cases have, for the first time, dropped by -31% (+26) and amount to 2,394 STRs (3,493). This fact shows that the increase of the total number of STRs is not caused by the “financial agents” typology. This phenomenon will be described in depth in chapter 4.

Number of suspicious transaction reports *without* the “financial agents” phenomenon

The total number of suspicious transaction reports without those STRs filed in connection with “financial agents” amounts to 21,660 (15,602). Compared to the previous year, this is an increase of 39% (35%).

The following graph shows the number of suspicious transaction reports filed pursuant to Section 11 of the MLA without the “financial agents” phenomenon.

Graph 3: Suspicious transaction reports filed pursuant to Section 11 of the MLA without the “financial agents” phenomenon



Reporting obligation regarding violations of disclosure duties pursuant to Section 11 (1) MLA

In 2011, an additional reporting obligation was introduced for cases in which the contracting partner of a reporting party did not fulfil his or her disclosure duties in respect of the beneficial owner of a transaction.

In this context, 328 (211) suspicious transaction reports were filed in the period under review. These cases have increased by 56%. Obviously, the awareness for this reporting obligation further manifested itself.

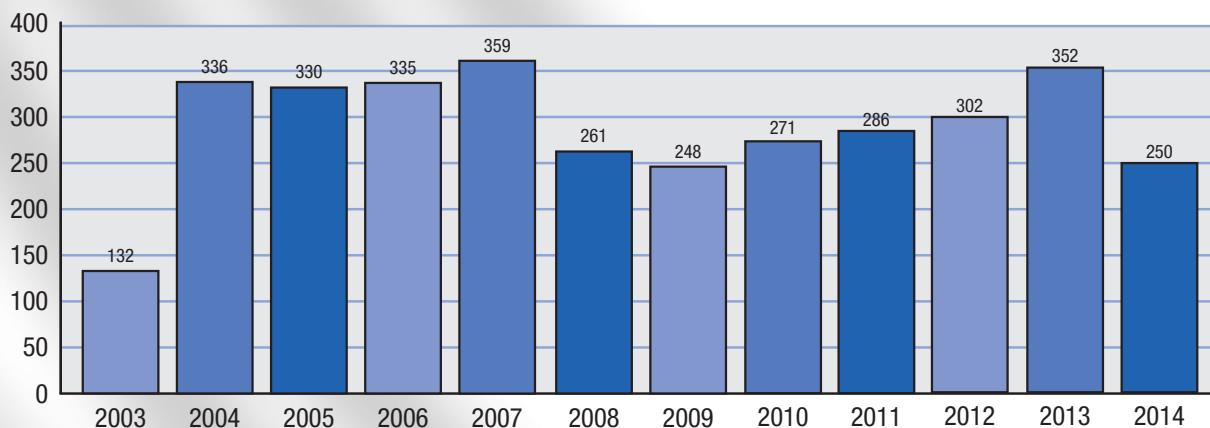
2.1.3 Reports filed by the tax authorities pursuant to Section 31 b of the Fiscal Code

The suspicious transaction reports filed pursuant to the Money Laundering Act are only part of the reports submitted to the FIU. In addition, the tax authorities send suspicious transaction reports filed pursuant to Section 31 b of the Fiscal Code³ to the FIU.

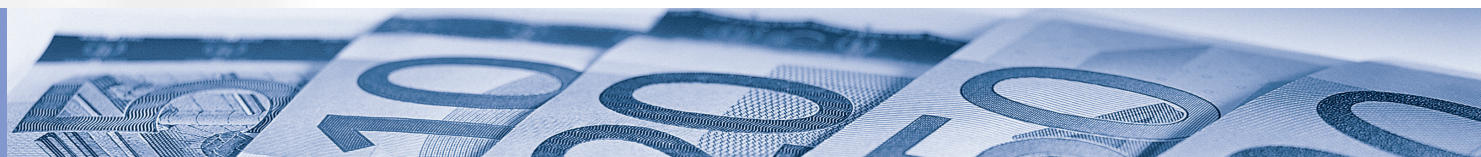
In the period currently under review, 250 (352) reports were filed pursuant to Section 31 b of the Fiscal Code. This is a decline of approx. 29% in comparison to the previous year. For the last five years, this has been the first decrease. The decrease is sharp and unexpected in the light of intensified co-operation with the tax authorities at federal and state level. It remains to be seen how things will develop.

The following graph shows the development of the suspicious transaction reports filed pursuant to Section 31 b of the Fiscal Code from 2003 to 2014.

Graph 4: Suspicious transaction reports filed pursuant to Section 31 b of the Fiscal Code



³ Section 31 b of the Fiscal Code (extract): "(...) The revenue authorities shall notify the Bundeskriminalamt (...) and the competent law enforcement authority (...) about transactions (...) if facts exist to indicate that the assets are the object of crime under Section 261 of the Penal Code or are linked to the financing of terrorism.(...)"



2.1.4 Number and nationality of persons reported

In the reporting period, the FIU recorded a total of 38,084 individuals who were mentioned in suspicious transaction reports filed pursuant to the MLA and in reports filed pursuant to Section 31 b of the Fiscal Code. A comparison with previous year's figures cannot be made this year as the recording modalities were changed as of June 2014.

Of the total number of persons recorded, 23,960 provided information about their nationality. This is a quota of 63%.

Of the persons recorded with known nationality, 14,359 were German nationals, which accounts for 60% of the total number of reported nationalities.

After German nationals, Turkish nationals followed by Romanian nationals and persons from the Russian Federation form the largest groups.

The following table provides an overview of the total number of persons recorded and the number of nationalities reported.

Table 2: Nationality of the persons reported

Nationality	2014
Total number of all persons	38,084
Total number of nationalities	23,960
Germany	14,359
Turkey	1,153
Rumania	611
Russian Federation	561
Poland	541
Bulgaria	490
Italy	440
China	358
The Netherlands	301
Serbia	243
France	223
Ukraine	222
Greece	198
Other	4,260
unclear / unknownt	14,204

2.1.5 Corporate headquarters

In the period under review, a total of 5,670 companies were recorded. Here as well, no comparisons with previous years can be made due to changed recording modalities.

Of the 5,670 companies recorded, information on the corporate headquarters of 3,428 companies was submitted, thus a quota of just under 61%.

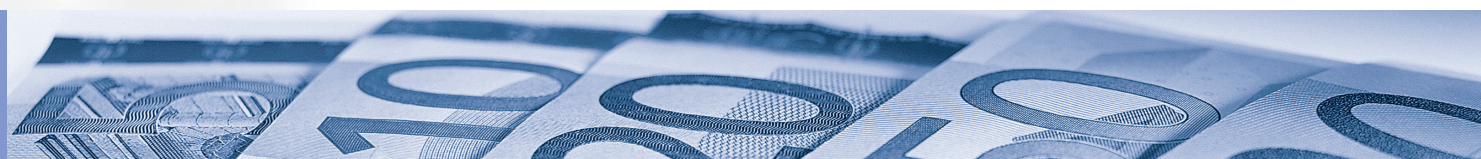
Of the companies with known corporate headquarters, 2,397 companies alone were seated in Germany. Consequently, German companies were reported in the STRs in 70% of the cases.

The United Kingdom is second with 136 companies having their corporate headquarters there, and Cyprus with 95 companies is third.

The following table provides an overview of the total number of companies recorded and the distribution of the corporate headquarters indicated.

Table 3: Headquarters of the companies reported

Corporate headquarters	2014
Total number of all companies	5,670
Total number of all headquarters	3,428
Germany	2,397
United Kingdom	136
Cyprus	95
Switzerland	81
British Virgin Islands	75
China	38
Russian Federation	34
Hong Kong	28
The Netherlands	28
Belize	25
Other	491
unclear	2,242



2.2 Results of the investigations

2.2.1 Status of report processing at the close of the reporting year

The central specialised offices dealing with financial investigations at the Land Criminal Police Offices completed 13,480 clearing cases during the period under review. These cases are based on suspicious transaction reports filed in 2013 and 2014⁴.

In the previous year, 10,118 clearing cases were completed, so this is an increase of 33%.

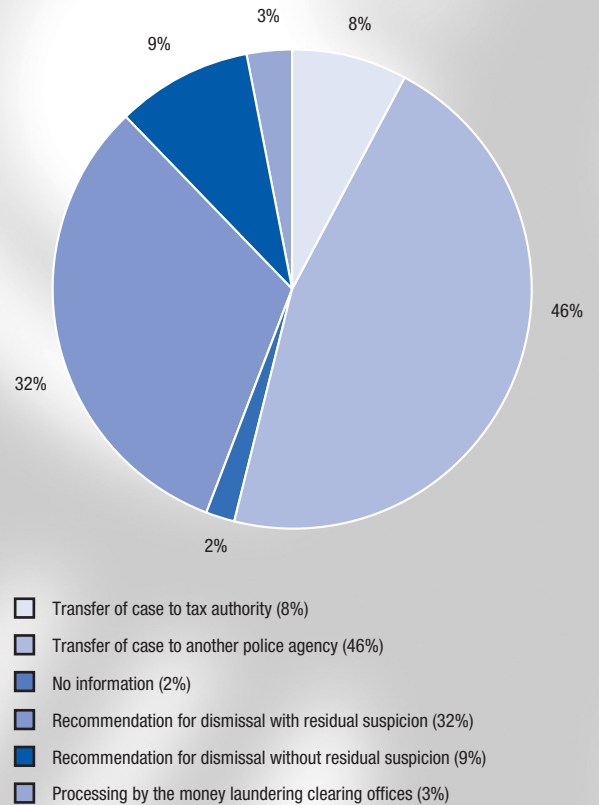
Upon completion of the clearing process, 8% (2013: 4%) of the suspicious transaction reports were transferred to the tax authorities. In 46% (49%) of the cases completed, the STRs were transferred to other police agencies. As in the previous year, no information was provided on the further case handling in 2% of the cases. For 32% (32%) of the cases it was suggested that they be discontinued with residual suspicion. For 9% (11%) of the cases it was suggested that they be discontinued without residual suspicion.

Approx. 3% (2%) were kept by the clearing offices for further processing.

Thus, the percentage ratio of the cases completed remained nearly constant compared to the previous year.

The following graph shows the distribution of the results of processing in the clearing offices.

Graph 5: Results of processing by the money laundering clearing offices of the Land Criminal Police Offices



⁴ The figures shown are based on the data provided by the specialised offices dealing with financial investigations in the Länder (German federal states).

2.2.2 Connections to types of crime revealed upon completion of the clearing process

In the 2014 reporting year, connections to the following fields of criminal activity were identified after completion of the clearing process and the cases were transferred to the relevant specialised agencies.

Connections to *fraud* as type of crime were established in 33% (30%) of the cases closed. This comprises cases relating to the *financial agents* typology because it has to be assumed here that the underlying offence is fraud. This also refers to *eBay fraud*.

As last year, *money laundering* is the second most common offence to which connections were established during the clearing process. It concerns 13% (18%) of the cases. This relatively small rate is probably due to the provisions of Section 261 subsection 9 of the Penal Code (impunity in case of involvement in the underlying offence).

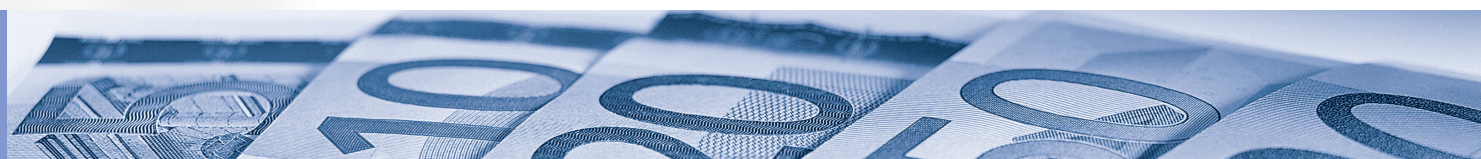
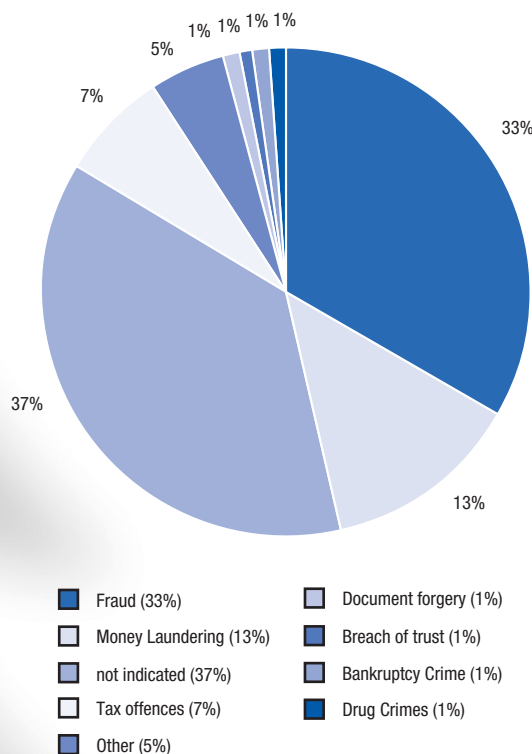
The *tax offences* to which connections were established rank third with 7% (4%).

Connections to *document forgery*, *breach of trust*, *insolvency and drug offences* correspond to the previous year's figures; their share is very low with approx. 1% each (2% and 1%).

The cases in which no connection to a type of crime has been revealed after the clearing process amount to 37% in 2014 (39%).

The following graph shows the distribution of the connections to the respective fields of crime after the clearing process.

Graph 6: Connections to types of crime identified by clearing offices in cases transferred to other investigative agencies



2.2.3 Seizures

In the 2014 reporting year, assets totalling approx. 28.3 million EUR (30.2 million EUR) were seized in the context of financial investigations independent of specific proceedings (see Table 4). Cancellations of seizures in 2014 involved assets amounting to approx. 7.4 million EUR (approx. 1.8 million EUR).⁵

Because it often turns out in practice that the relevant orders and rulings include several objectives and because no final determination about whether seized items will be subject to forfeiture, extended forfeiture or confiscation is made until judgment is pronounced, the information provided about the seizures is limited to the respective provisions of the Criminal Procedure Code.

Table 4: Seizures within the framework of financial investigations independent of specific proceedings, 2014

Measures carried out	Kind of assets seized	Value of assets seized (in Euro)		Value of cancellations (in Euro)	
		Investigations from the year under review	Investigations from the previous years	Investigations from the year under review	Investigations from the previous years
Seizure pursuant to Section 111b (1) of the Criminal Procedure Code <i>Forfeiture/confiscation</i>	Cash	1,362,687	41,000	446,703	0
	Movable property	0	0	0	0
	Claimes / titles	4,387,781	1,000	1,055,748	0
	Immovable property	0	0	0	0
Sum of the four categories		5,750,468	42,000	1,502,451	0
Seizure pursuant to Section 111b (2) of the Criminal Procedure Code <i>Forfeiture/confiscation of equivalent value</i>	Cash	22,070	0	0	0
	Movable property	0	0	0	0
	Claimes / titles	4,621,658	69,687	0	0
	Immovable property	0	0	0	0
Sum of the four categories		4,643,728	69,687	0	0
Seizure pursuant to Section 111b (5) of the Criminal Procedure Code <i>Recovery assistance</i>	Cash	354,551	111,948	18,595	0
	Movable property	438,130	9,000	0	0
	Claimes / titles	15,780,140	77,335	5,898,815	0
	Immovable property	1,020,769	0	0	0
Sum of the four categories		17,593,590	198,283	5,917,410	0
Total amount of seizures / cancellations		27,987,786	309,970	7,419,861	0
		28,297,756		7,419,861	

⁵ The seizures indicated in Table 4 only refer to *financial investigations independent of specific proceedings*, i.e., they result directly or indirectly from information the law enforcement authorities obtained from suspicious transaction reports filed pursuant to the Money Laundering Act.

2.3 Reports filed pursuant to the Iran Embargo Regulation

10 reports were sent to the FIU in the reporting period which had been filed pursuant to the Iran Embargo Regulation⁶. These reports were analysed by the FIU and subsequently transmitted to the Deutsche Bundesbank or the Zollkriminalamt (central office of the German customs investigation service) for further processing.

The declining trend recorded last year continues and amounts to 29% compared to the previous year.

2.4 Summary of report volume

- In 2014, a new peak of suspicious transaction reports was reached. 24,054 suspicious transaction reports were filed, which means they increased by more than 3.5 times compared to the first statistical data collection in 2003.
- The credit institutions filed 87% of the STRs. In this category, the savings banks sector recorded the largest rise with 36%.
- The entire financial sector again submitted 99% of the suspicious transaction reports to the FIU. The non-financial sector, which is the strongest group of reporting parties in terms of numbers, submitted only 1% of the reports.
- Despite the increase of the case numbers recorded in the non-financial sector, now amounting to 245 (= 50%), the absolute number offers only little hope for an adequate future performance of tasks by this group with regard to their obligations pursuant to the MLA.
- This year, the “financial agents” phenomenon makes up “only” 10% of the total number of reports. The number of STRs relating to “financial agents” fell for the first time (by -31%), but it is, nevertheless, the most prominent phenomenon.
- The number of suspicious transaction reports *not linked to* the “financial agents” phenomenon amounts to 21,660 and has increased by 39% in comparison to the previous year.
- The suspicious transaction reports resulting from violations of disclosure duties have increased by 56%.
- The number of reports filed pursuant to Section 31b of the Fiscal Code has decreased by 29% in comparison to last year.

⁶ Council Regulation (EU) No. 267/2012 of 23 March 2012 on restrictive measures against Iran and repealing Regulation (EU) No. 961/2010.

3 Follow-up responses by public prosecutors' offices pursuant to Section 11 (8) of the Money Laundering Act

Pursuant to Section 11 (8) MLA, the competent public prosecutor's office shall inform the Bundeskriminalamt (BKA) – Financial Intelligence Unit – of the commencement of public prosecution and the outcome of proceedings in criminal cases in which a report was filed pursuant to Section 11 (1) or Section 14 MLA, and in other criminal cases relating to an offence pursuant to Section 261 of the German Penal Code or in which suspected offences within the meaning of Section 1 (2) MLA were investigated. Such notification shall be effected by send-

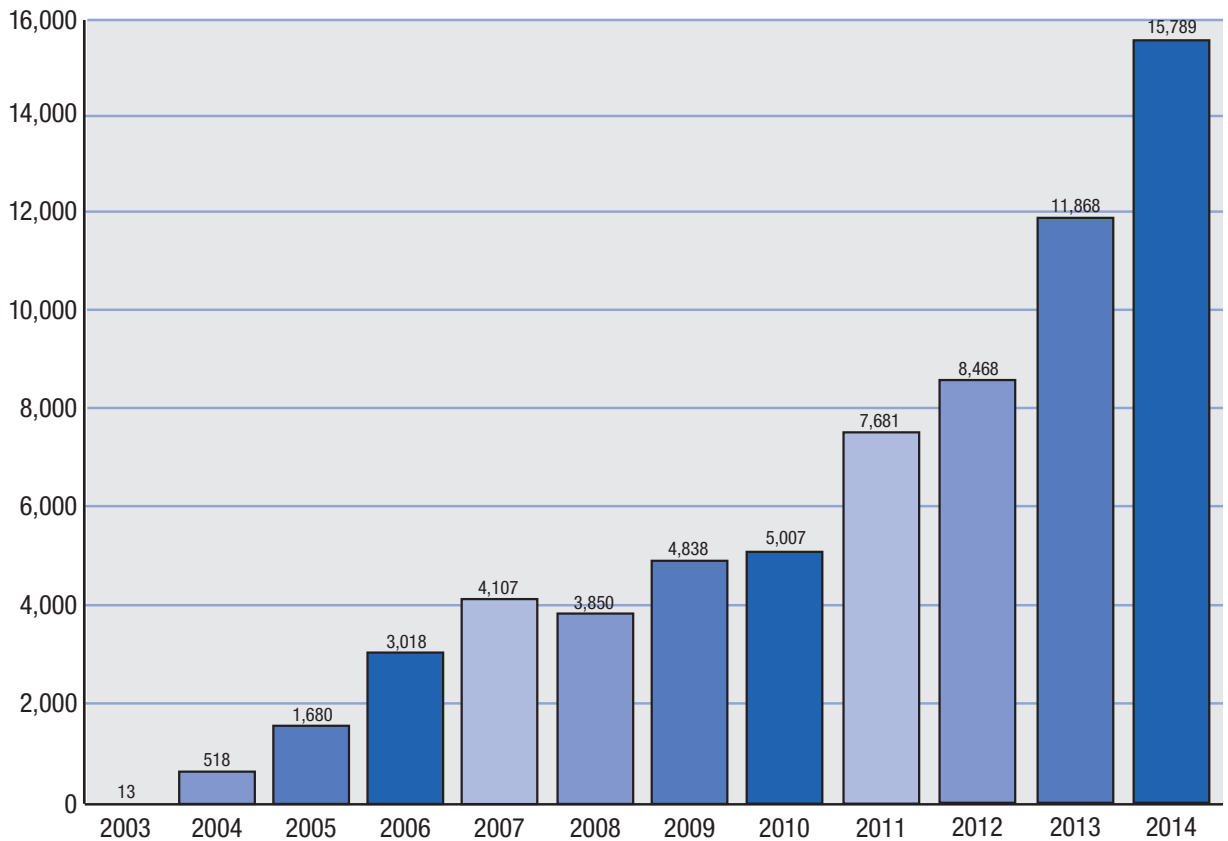
ing a copy of the indictment, the decision to dismiss the case, setting out the reason for such decision, or the verdict.

3.1 Statistical analysis

In the 2014 reporting year, a total of 15,789 follow-up responses by public prosecutors' offices pursuant to Section 11 (8) MLA were recorded and analysed. Whereas, in 2013, the number of follow-up responses increased by 40%, this increase was approx. 33% (3,921 follow-up responses) in 2014.

The response reporting practice of the prosecutors' offices has developed as follows since 2003:

Graph 7: Development of the number of follow-up responses by public prosecutors' offices, (2003–2014)



3.2 Content-related analysis

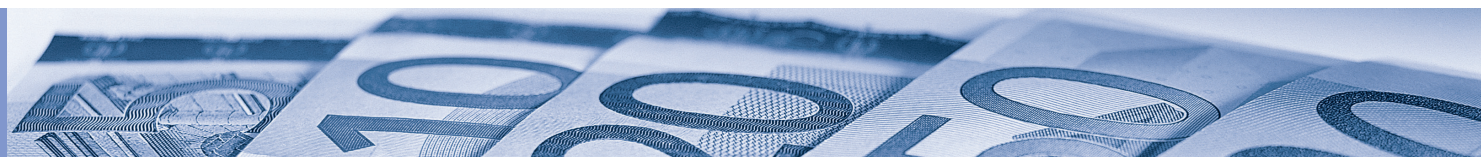
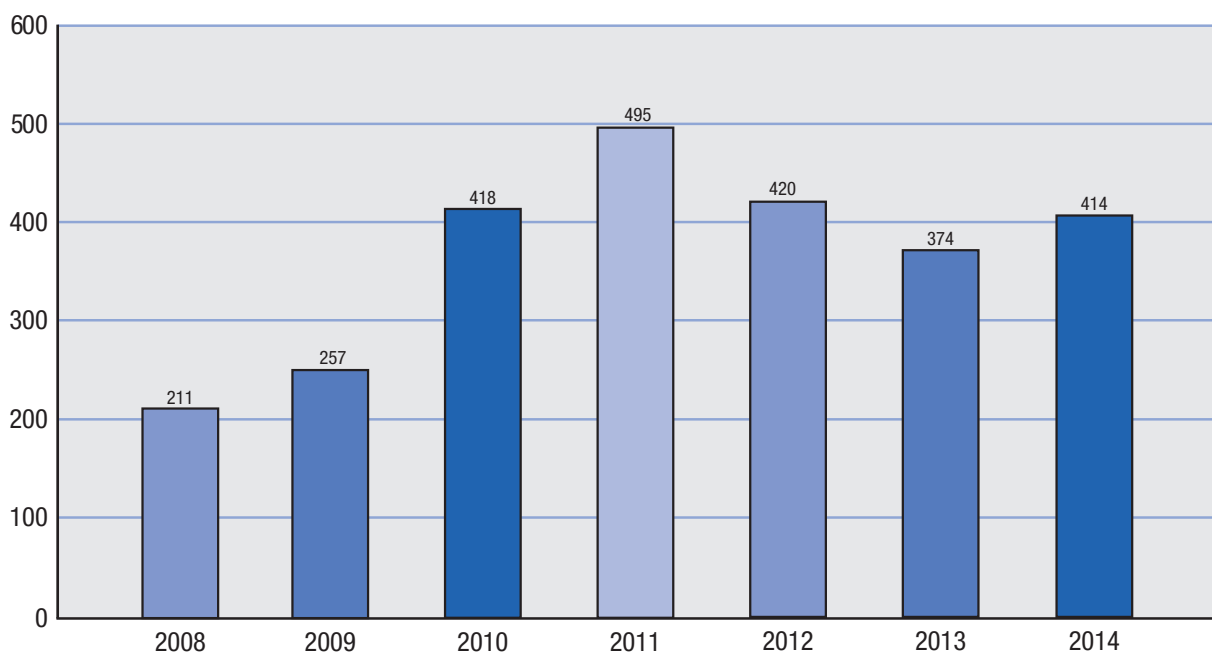
3.2.1 Judgments, penalty orders, indictments and under other follow-up responses

Only 414 of the 15,789 follow-up responses referred to judgments, penalty orders or indictments. This corresponds to nearly 3%. Another 134 follow-up responses were reports submitted pursuant to the Directive on Reporting in Criminal Cases (MISTRA) and applications for penalty orders which are listed in the following table under “other follow-up responses”.

Table 5: Overview of judgments, penalty orders, indictments, other follow-up responses, 2008–2014

Year	Judgments	Penalty Orders	Indictments	Other	Total
2008	31	138	42	–	211
2009	32	143	82	–	257
2010	60	262	96	79	497
2011	58	342	95	91	586
2012	46	286	88	85	505
2013	62	228	84	97	471
2014	50	254	110	134	548

Graph 8: Development of the total number of judgments, penalty orders, indictments, 2008–2014



On the whole, it can be stated that, although the total number of follow-up responses has been on the rise since 2008, the number of judgments, penalty orders and indictments has remained roughly at the same low level since 2011.

The following comments on typologies and methods of money laundering exclusively refer to corresponding fact-based legal findings in judgments and penalty orders. Thus, indictments and other follow-up responses of a “provisional character” were not considered.

Upon consideration of the 304 penalty orders / judgments forwarded, it is noted that, in 210 cases (69%), so-called financial agents were sentenced for money laundering preceded by an offence of (computer) fraud. Besides this, convictions of so-called “goods agents” were established in a total of 29 cases (10%) in 2014. They take over the same function as a financial agent, with the only difference that they do not pass on money but goods which they have received from fraudsters beforehand.

To date, no follow-up responses relating to cases of suspected terrorist financing have been received in any of the years under review.

Table 6: Predicate offences of money laundering and other offences to which the court orders refer

Predicate offence	Number	in %
Fraud	390	67.7
of these, computer fraud	218	
Document forgery	34	5.9
Bankruptcy	13	2.3
Tax offences	9	1.6
Drug crime	7	1.2
Breach of trust	6	1.0
Violation of the Payment Service Supervisory Act	6	1.0
Theft	5	0.9
Violation of the Banking Act	5	0.9
Withholding and embezzlement of wages or salaries	5	0.9
Not indicated	96	16.7
Total	576	100

(Multiple listings per case possible)

3.2.2 Dismissal orders

Of the 15,789 follow-up responses received in total from the public prosecutors' offices and assessed at the FIU, nearly 91% (14,368) were dismissal orders.

Apart from the dismissal orders, a total of 873 transfer notifications were received which are not covered by the obligation to provide follow-up responses to the FIU.

Beyond the prosecutorial reasons for dismissal, these follow-up responses only seldom contained explanatory information or information of typological relevance. In addition, these follow-up responses frequently did not allow any conclusions to be drawn as to whether the proceedings, which were dismissed for the charge of money laundering, were continued for an underlying offence.

3.3 Conclusion

In the year under review, an increase in the number of follow-up responses by nearly 33% was established. However, the rise in the number of follow-up responses is exclusively due to the increase of dismissal orders and transfer notifications, which do not contain any information relevant to assessment. There was only a slight increase in the number of judgments, penalty orders and indictments, i. e. that information that is relevant to assessment.

In order to be able to make reliable statements in the future, it is indispensable to receive more high-quality follow-up responses suitable for typological evaluation. It is assumed in this context that the relevant judgments etc. were passed but have not been transmitted to the FIU.

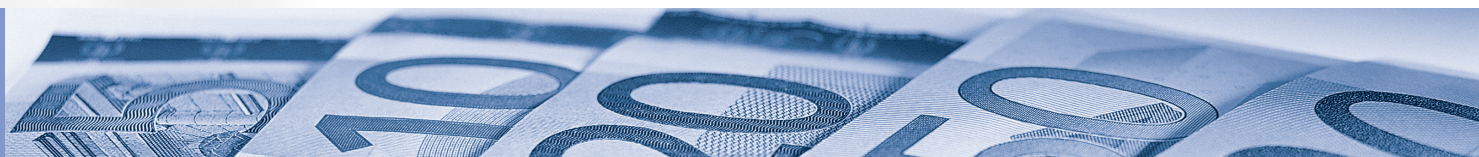
Taking the 2013 criminal prosecution statistics⁷ as a basis for comparison, it can be seen that only 290 judgments and penalty orders were transmitted to the FIU for a total of 992 persons sentenced for money laundering with final and binding effect. This corresponds to a rate of less than 30 %. The following table shows the figures for the years 2009 to 2013:

Table 7: Comparison number of judgments / penalty orders

Year	Judgments/ penalty orders sent to the FIU	Criminal prosecution statistics on "persons convicted"	Quota
2009	175	518	33.8%
2010	322	804	40.0%
2011	400	1,100	36.4%
2012	332	1,080	30.7%
2013	290	992	29.2%

As in the previous years, most of the judgments were passed for money laundering in the context of an activity as financial agent, the predicate offence being (computer) fraud.

⁷ The 2014 criminal prosecution statistics are not yet available.



4 Analysis of suspicious transaction reports

As tasked pursuant to Section 10 of the MLA, the FIU undertook monitoring of all suspicious transaction reports submitted to the central office as well as all reports with links to money laundering and terrorist financing filed by the fiscal authorities pursuant to Section 31 b of the Fiscal Code in order to regularly inform the parties obliged to report under the MLA on typologies and methods of money laundering and terrorist financing and make them aware of the trends observed in this connection.

Another objective of the FIU was to carry out detailed analyses on (new) phenomena identified in these fields of criminal activity and to initiate and support investigative proceedings.

At the same time, the suspicious transaction reports were subjected to a "clearing process" in which the existence of an initial suspicion of an offence pursuant to Section 261 of the Penal Code, an underlying offence pursuant to Section 261 of the Penal Code or the suspicion of another offence was checked. The results of these analysis processes, as a rule, have been forwarded to the specialised law enforcement agencies/police departments or the fiscal investigation services or, for the judicial authorities, to the competent public prosecutors' offices.

4.1 Case analysis

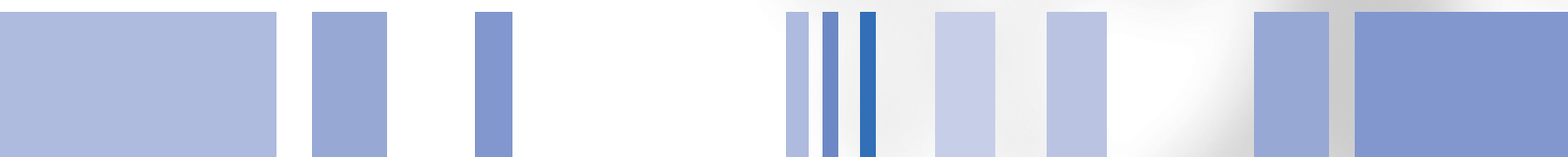
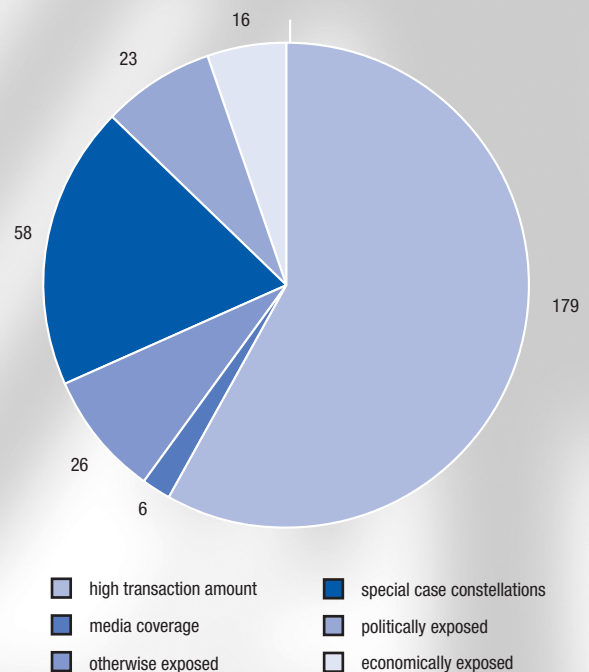
In the course of the case analysis, of all the 24,054 suspicious transaction reports transmitted to the FIU and of the 250 reports filed and transmitted pursuant to Section 31 b of the Fiscal Code, the FIU classified 298 cases as "noteworthy cases". They contained 308 leads in total which were of paramount significance. The leads covered different categories – the amount of the transaction reported (exceeding EUR 3 million), the persons involved (politically, economically or otherwise exposed persons), other significant case-specific features (special modus operandi or other excep-

tional aspects) or the high level of public interest (media coverage) regarding the persons/institutions involved. These six categories were represented as follows in 2014 (2013):

- 179 (67) cases involving transaction amounts of over EUR 3 million each
- 58 (24) cases involving politically exposed persons
- 23 (15) cases involving otherwise exposed persons
- 16 (6) cases involving economically exposed persons
- 6 (8) special case constellations
- 26 (24) cases involving a high level of public interest (media coverage)

In contrast to the declining trend recorded in the previous years' reports, a significant increase in the number of important leads from 144 to 308 was identified in 2014. This increase by 164 cases corresponds to almost 114%.

Graph 9: Monitoring of suspicious transaction reports - Noteworthy cases



In relation to the total number of suspicious transaction reports registered at the FIU, this share has now clearly increased and reaches a value of 1.28% of all STRs in 2014 (2013: 0.75%).

The biggest share and also the clearest increase rate was recorded for suspicious transaction reports referring to high transaction volumes. The case figures relating to this phenomenon increased from 67 to 179 cases and thus by 167%.

A similar increase was recorded for those suspicious transaction reports referring to politically, economically or otherwise exposed persons. The increase rates in these categories ranged from 152% to 166% and, thus, showed an increasing trend for the first time again after the previous years' decline.

The number of cases reported for their high level of public interest (media coverage) remained relatively constant. The 26 cases of media relevance recorded in 2014 constitute a slight increase compared to the previous year (24 cases).

The only declining trend was recorded in 2014 for the STRs referring to special case constellations. Compared to the previous year (8 cases), only 6 suspicious transaction reports referring to special case constellations were recorded in the year under review.

4.2 Trends and typologies

If the analysis of the STRs reveals special information on trends and typologies with regard to phenomena of money laundering or terrorist financing that are relevant to analysis or investigation - such as an unusual accumulation of similar grounds for suspicion or facts of the case - the FIU monitors these trends more closely. The following trends were monitored more closely in 2014:

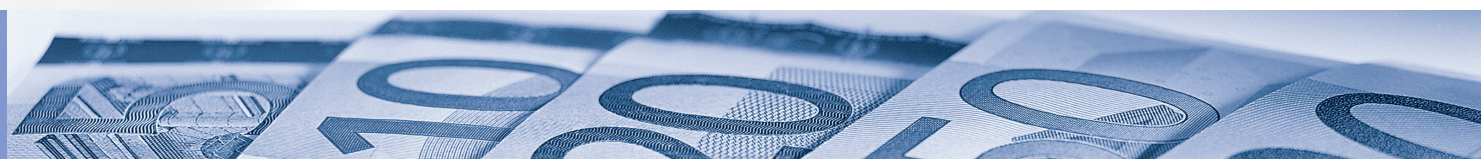
4.2.1 "Financial Agents"

A "financial agent" operates as a money transfer agent in the sense of Section 1 subsection 2 no. 6 of the Payment Services Supervision Act. This activity is subject to prior approval by the Federal Financial Supervisory Authority (BaFin). The persons reported in 2014 for financial agent activities usually not only lack such approval by the BaFin but are also liable to prosecution for money laundering pursuant to Section 261 of the Penal Code. Incriminated funds (mostly obtained by phishing attacks) are transferred to the account held by the "financial agent" who then forwards the money to third parties without delay.

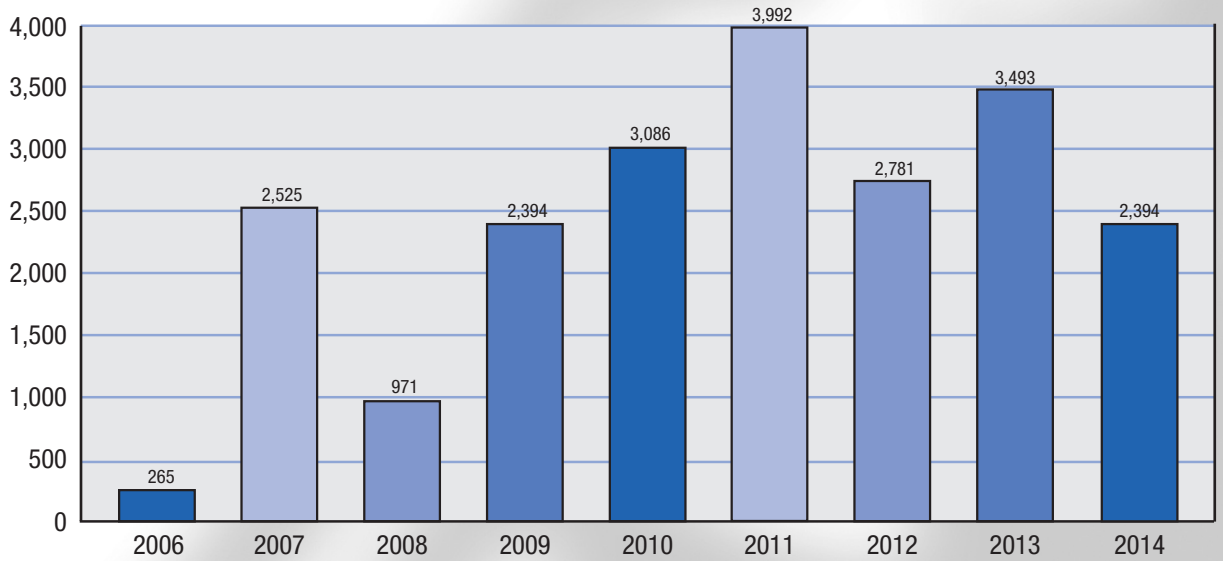
Considering the development over a five-year period, a new low level was reached in 2014 with 2,394 reports submitted in the field of "financial agents". Compared to the previous year, the number of these reports dropped by 31% in the year under review while the overall number of STRs increased considerably again. In absolute terms, 1,099 reports less were filed with reference to the "financial agents" phenomenon. Thus, this mass phenomenon makes up less than 10% of all suspicious transaction reports. The last time this happened was in 2007. In the following years, approx. one third of all STRs referred to this phenomenon alone, with a peak of 31% in 2011. Since then, a decrease in the share of all suspicious transaction reports has been observed.

The "financial agents" phenomenon has been observed more closely as a trend within the framework of the FIU's analysis activities since 2006. The following graphs provide information on the number of reports filed since the beginning of this trend monitoring and on the proportion of these reports compared to the total number of STRs.

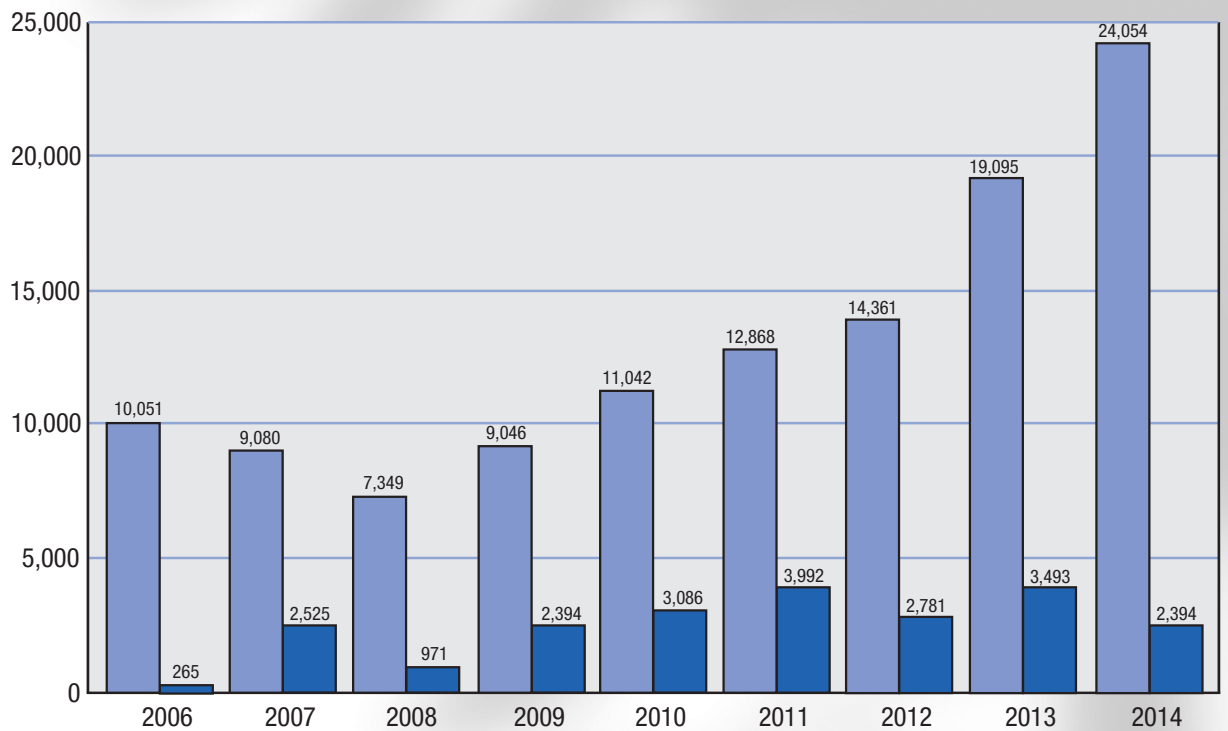
The "financial agent" as the fraudster's money courier (mainly in connection with phishing attacks) is the most significant mass phenomenon regarding the suspicious transaction reports submitted. Criminals continue to solicit potential "financial agents" with ads and job offers such as "Good money for little work" or "EUR 3,000 per month working comfortably from home".



Graph 10: Number of STRs filed in connection with the “financial agents” phenomenon 2006–2014



Graph 11: Number of reports involving “financial agents” compared to the total number of STRs, 2006–2014



Some of the persons recruited might not be aware of the fact that they are part of a money laundering scheme, but most of them are probably no unsuspecting accomplices. Both the cybercrime investigators of the BKA as well as those of the local police services increasingly realise that criminals deliberately act as financial agents. In this context, the credit institutions involved are often deceived with fabricated transaction stories, for example, an alleged property purchase, so that suspicion is minimised or even completely excluded until the damage actually occurs.

The necessity of international co-operation, especially within Europe, is gaining more and more importance for the FIU. Good connections to agencies abroad help dismantle perpetrator structures and secure assets. This has proved to be successful in many money laundering cases with the involvement of the FIU Germany and its partner agencies abroad.

4.2.2 Electronic payment systems

In an age of increasingly online-based trade, electronic payment systems are gaining more and more importance. Multi-faceted variations of EC and credit cards are only a fraction of what the market offers to its potential customers for the quick purchase in the World Wide Web. It is often sufficient to register with an e-mail address in order to be able to fully use a means of payment. However, these and other, new payment methods also involve risks of misuse.

The FIU considers the following indicators in suspicious transaction reports as relevant for their inclusion in the “electronic payment systems” typology:

- online-based
- bypassing the regulations of the traditional financial system (no or insufficient identification, no paper trail)
- asset transfer directly from the payer to the payee without the use of accounts

- frequently limited transaction amounts, consequently no or only rare suspicious circumstances suggesting “large scale” money laundering

Compared to the previous year, the number of STRs with links to electronic payment systems has more than doubled this year. The FIU recorded 124 STRs relating to electronic payment systems in 2014, which is an increase of approx. 153%. While the absolute numbers are again at a low level, the sharp increase compared to the previous year shows that electronic payment systems are becoming more and more common.

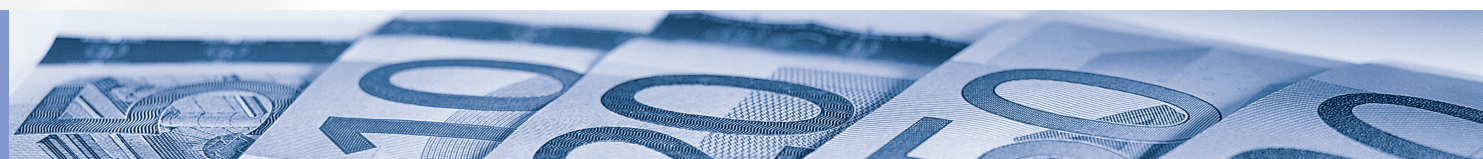
4.2.3 VAT missing trader fraud

In 2014, the FIU received a total of 58 suspicious transaction reports in which a link to VAT missing trader fraud was indicated. Compared to the previous year (37), this is an increase by approx. 57%. However, compared to the total number of reports filed (24,054), these 58 suspicious transaction reports continue to represent a very small number in absolute terms.

The FIU has been analysing the “VAT missing trader fraud” phenomenon since 2011. This trend monitoring did not reveal any new modi operandi of money laundering in 2014.

4.2.4 Violation of the duty of disclosure

In 2014, the parties covered by the MLA filed 328 suspicious transaction reports referring to “violation of the duty of disclosure”. This is the case when the contracting partner fails to disclose to the party covered by the Act whether he/she wants to establish, continue or carry out the business relationship or transaction on behalf of a (third) beneficial owner or fails to prove the beneficial owner's identity.



Compared to the previous year (211 reports), the number of cases increased by 56%. All in all, the number of cases based on this ground for suspicion has increased constantly since its first consideration in the 2012 reporting year (86).

4.2.5 Voluntary disclosure

The FIU noticed an increased filing of STRs, which were exclusively submitted on the basis of a tax-related voluntary disclosure, after the BaFin circular no. 01/2014 had been published on 05/03/2014. The reports usually did not contain any additional information suggesting an offence of money laundering. According to the circular, a party required to report is to file a suspicious transaction report pursuant to Section 11 subsection 1 sentence 1 of the MLA once he/she learns about the (intended) filing of a tax-related voluntary disclosure by the contracting partner pursuant to Section 371 of the Fiscal Code.

In this context, the BaFin points out: *“f the customer asks his/her bank for the necessary accounting records to prepare a self-declaration or voluntary disclosure statement pursuant to Section 371 of the Fiscal Code, the facts, as a rule, have to be reported pursuant to Section 11 subsection 1 sentence 1 of the Money Laundering Act. This has the consequence that a return to tax honesty without punishment will regularly not be possible anymore as the investigating authorities already learn about the tax evasion through the STR and exemption from punishment by filing a voluntary disclosure statement pursuant to Section 371 subsection 2 no. 2 of the Fiscal Code is, thus, excluded.*

... If the tax-related voluntary disclosure statement of the customer is already available to the party required to report pursuant to Section 11 of the MLA or the file number of the tax authority is known to them, it is not necessary to file a report pursuant to Section 11 of the MLA.”

To shed light on this phenomenon, the FIU started the “voluntary disclosure” trend monitoring at the beginning of June 2014. During the monitoring period, 507 cases relating to “voluntary disclosure” were reported. This is approx. 2% of the total number of reports filed. Thus, every 50th suspicious transaction report was filed for an (intended) voluntary disclosure. With the Act amending the Fiscal Code and the Introductory Act to the Fiscal Code dated 22 December 2014 (Federal Law Gazette I p. 2415), the requirements for a voluntary disclosure without punishment to become effective and the regulations for refraining from prosecution in particular cases have been considerably tightened as of 01 January 2015. For this reason, the trend monitoring will be continued at least until the end of the 1st quarter of 2015 so that supposed effects of these amendments on the filing of voluntary disclosure statements (with exemption from punishment) can be identified.

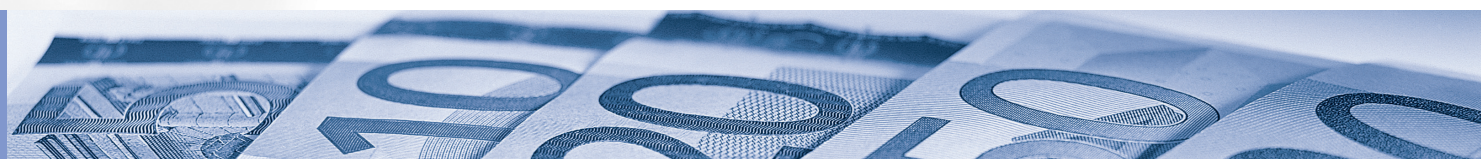
4.3 Operational added value of suspicious transaction reports

Besides strategic aspects, suspicious transaction reports are also checked for their operational added value. Especially the operational sector of the FIU or other criminal police sections at the BKA are to be supported in their analysis and investigation work with the information generated from the case-specific details in the STRs and, when an added value is established, this information is included in related cases handled in the specialised sections.

The suspicious transaction reports sent to the FIU in the year under review contained the following operational added value:

- 399 suspicious transaction reports contained information on persons or organisations which had previously come to notice within the framework of the international FIU information exchange. These suspicious transaction reports were passed on to the operational sector of the FIU for detailed analysis. Compared to the previous year, when this criterion referred to 458 STRs, the case figures went down slightly in 2014. dieser Fallzahlen zu verzeichnen.

- In 124 STRs, the persons or organisations mentioned were found to be linked to other investigations conducted at the BKA. These STRs were forwarded to the relevant specialised BKA sections for assessment and checking their relevance. Compared to the previous year's figures, the number of these special cases has increased considerably. In the previous year, 33 such STRs had been recorded. Thus, this is an increase of approx. 276% in 2014.
- In the year under review, a total of 408 STRs were identified in which possible links to politically motivated crime could not be ruled out. The FIU forwarded these reports to the State Security Division at the BKA. Compared to the 310 reports passed on to this Division in the previous year, this is an increase by approx. 32%.



5 National co-operation

5.1 Public relations work

The FIU's obligation – pursuant to Section 10 subsection 1 of the Money Laundering Act – to inform the law enforcement authorities and the parties obliged to report is fulfilled by the most different measures and activities.

With regard to the **print and electronic media**, mention must especially be made of the FIU's Annual Report, the Newsletters prepared as occasion demands (with descriptions of real, anonymised case examples) and the information offered on electronic platforms (Internet, Intranet, police closed user groups).

In the year under review, a Newsletter in which the revised *Indicator Paper on Money Laundering and the Financing of Terrorism* (cf. 5.2) was published, was of particular importance in this connection.

At the same time, the staff of the FIU endeavour to comply with as many **requests** as possible from the parties required to report and the (law enforcement) authorities, asking them to **hold presentations** at training courses, conferences, expert meetings or advanced training seminars.

In 2014, representatives of the FIU held presentations at national level on 24 occasions.

In addition, the FIU replied to various **written enquiries** received from the parties required to report pursuant to the Money Laundering Act, various media representatives (TV, radio, press) and citizens, they gave **interviews** and conducted **background talks**.

Last but not least, the FIU staff are asked for their opinion several times a day in **telephone enquiries** received from representatives of the various professional groups.

5.2 New indicator paper

In August 2014, the new *Indicator Paper on Money Laundering and the Financing of Terrorism* was published which replaces the previous document from 2006.

Since the 2006 Indicator Paper was issued, there have been numerous amendments to the MLA. In 2006, for example, the term “other business persons” was changed to “persons commercially trading in goods”. With the change of this term, the “service providers” in the commercial sector were excluded from the group of obliged entities. Further amendments were implemented in 2008 (*Act amending the Money Laundering Suppression Act*) and in 2011 (*Law for the Optimisation of the Prevention of Money Laundering*). In 2013, the “operators and brokers of online gambling” were included in the group of obliged entities by the Act amending the Money Laundering Act.

Since 2006, the *modi operandi* of money laundering and terrorist financing have also partly changed or expanded. They have also become more complex.

In order to account for these developments, the Indicator Paper has been extensively revised. This revision was made in co-operation with the financial investigation teams of the Land Criminal Police Offices, the Zollkriminalamt and numerous supervisory authorities, professional associations/chambers and some major banks.

The main purpose of the update was to develop a new document structure which should primarily contain indicators applicable to the whole group of reporting parties and not only to the financial sector and individual lines of business. In addition, it should also contain specific indicators, without getting lost in confusion due to the many different lines of business represented in the group of obliged entities.

The “indicators suggesting money laundering activities” have been divided into three areas:

- general indicators suggesting money laundering activities
- specific indicators for the financial sector suggesting money laundering activities and
- specific indicators for the non-financial sector suggesting money laundering activities

These three areas are in part subdivided – product and business line-oriented – into *customer behaviour/identification, cash transactions, non-cash transactions, securities trading/investments or indicators inherent to the transaction*. The structure of the “indicators suggesting terrorist financing in the field of politically motivated crime” has been maintained.

Framework conditions of use

There are some framework conditions that have to be observed when using the Indicator Paper within the framework of money laundering prevention.

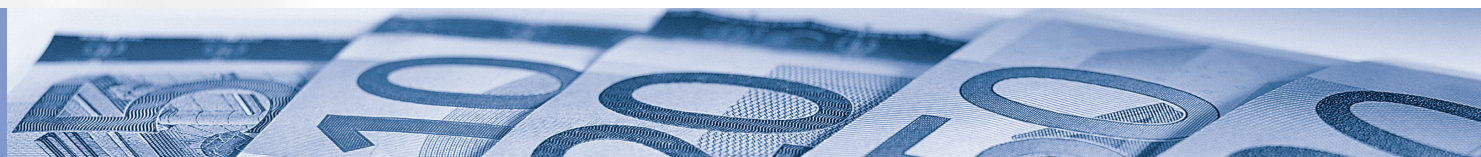
It should always be kept in mind that it is not an exhaustive list and should also not replace many years of professional experience and the “know your customer” principle.

The more indicators apply to the case-specific details, the more likely may a case of money laundering or financing of terrorism be involved.

Possibilities for use

The indicators are to help the reporting parties fulfil their legal obligations. For example, the obliged entities may implement them into the existing monitoring/compliance systems.

Moreover, the new Indicator Paper might be used within the framework of internal, money laundering-related training measures to sensitize the relevant staffers.



6 International co-operation

6.1 Exchange of information with other FIUs

In this respect, the tasks of the FIU Germany (Section 10 of the MLA) are described in subsections 2 to 4 and include the power and framework conditions for co-operation with the central offices of other countries competent for the prevention and prosecution of money laundering and terrorist financing.

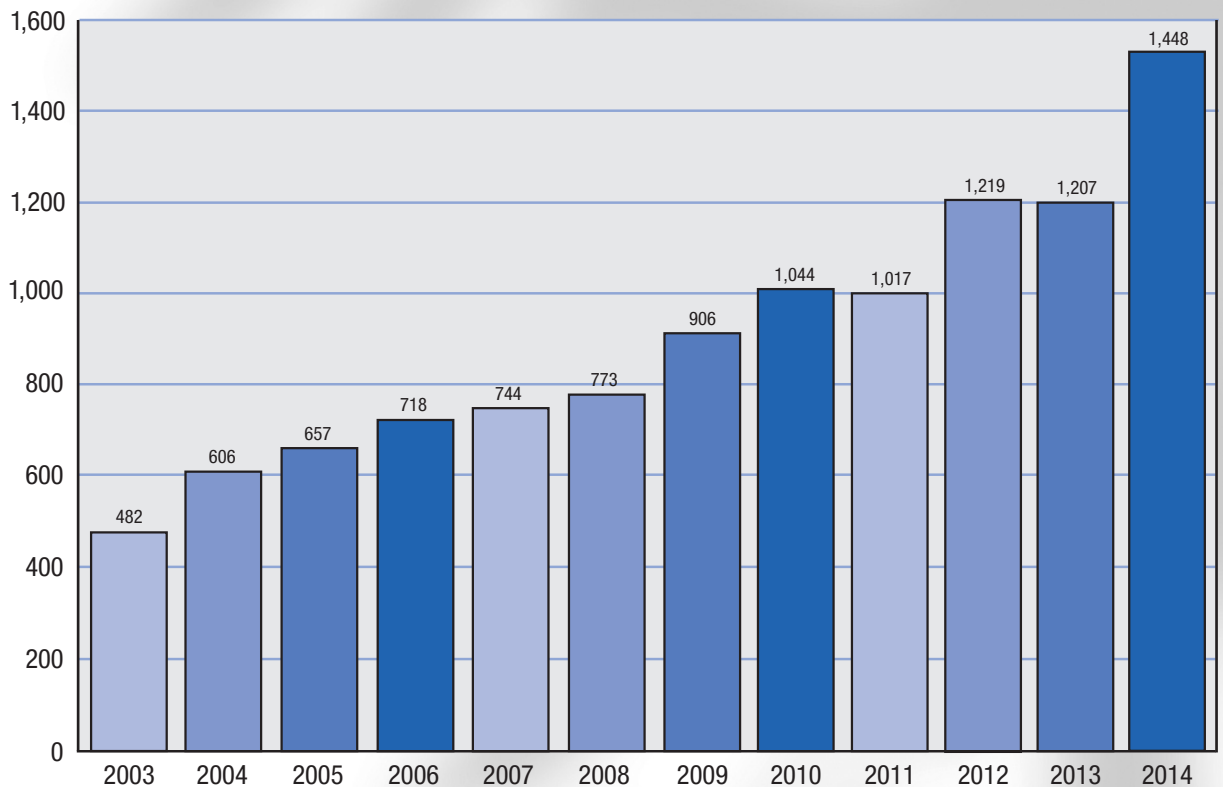
Especially with the major part of the FIUs organised within the Egmont Group, this international exchange of information was conducted very intensively also in the year under review.

Case figures of the FIU information exchange

In 2014, 1,448 occasions were recorded in which cases were reported to the FIU with the request for checks in Germany or abroad. Compared to the previous year (1,219 cases), this is an increase by 20%. The trend of (almost) always increasing case numbers, observed over the years since the FIU's foundation, thus continues.

Since its foundation in August 2002, the FIU has thus handled a total of 10,919 enquiries made by foreign FIUs and German law enforcement/prosecution agencies.

Graph 12: Development of the case numbers of the FIU information exchange, 2003–2014



Complexity of the cases

The known criteria, which are to serve as indicators of the complexity of this correspondence, revealed the following values for the 2014 reporting year (average numbers per case):

- Number of documents: 15 (previous year: 14)
- Number of natural persons: 3,4 (previous year: 3)
- Number of legal persons: 2,2 (previous year: 3)

Compared to the previous year, the numbers changed only slightly, however, a constant rise in the number of documents and persons has been recorded in the long-term consideration. This shows the ever increasing depth of case processing with regard to the cases which are exchanged with the corresponding offices throughout the world and are supplemented with information available.

Foreign and German senders of enquiries to the FIU Germany

Enquiries to the FIU Germany from abroad are almost exclusively sent by FIUs organised within the Egmont Group, the global network of central agencies combating money laundering and terrorist financing.

With the admission of the FIUs in *Angola, Brunei, Chad, Ghana, Jamaica, Namibia, Sint Maarten* and *Tanzania* into the Egmont Group in the summer of 2014, the group currently records 147 members.

The FIU Germany exchanged correspondence with 93 (90 in the previous year) of these central agencies in the reporting year, which corresponds to approx. 63%.

In the adjacent table, those senders of enquiries to the FIU Germany are listed with which the most cases were exchanged in 2014:

The following chapter describes the most important developments for the period under review.

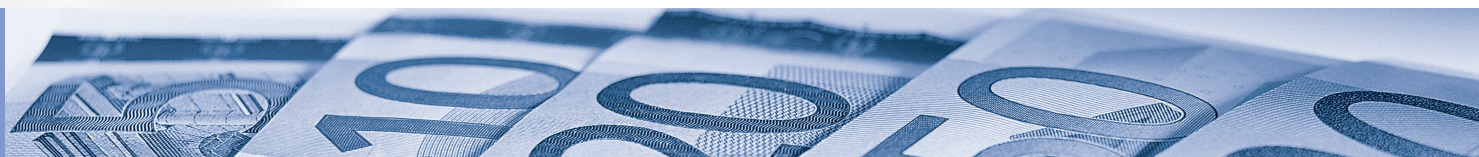
- Due to the increase of the absolute case figures, the percentage of the **enquiries sent by German authorities** (usually the Police/Customs Joint Financial Invest-

Table 8: Senders of enquiries to the FIU Germany (TOP 20)

	2014	2013	Vorjahr +/-
Germany	328	310	18
Luxembourg	179	101	78
Slovakia	128	51	77
Switzerland	81	70	11
The Netherlands	77	59	18
Belgium	51	61	-10
Italy	47	33	14
Austria	46	29	17
France	34	34	0
United Kingdom	30	28	2
Hungary	30	32	-2
USA	25	26	-1
Jersey	25	6	19
Spain	24	17	7
Poland	18	19	-1
Cyprus	17	16	1
Gibraltar	16	13	3
Czech Republik	16	16	0
Russian Federation	15	26	-11
Liechtenstein	15	28	-13
Other	246	232	
Total	1,448	1,207	

tigation Groups at the Land Criminal Police Offices) and steered via the FIU Germany to foreign FIUs, slightly decreased compared to the previous year, namely by 3% to approx. 23%, although the absolute number slightly increased by 18 cases to 328 cases.

- This year, the list of the **“Top 20” FIU partners** changed in only one position. The FIU *Isle of Man* is no longer represented and the FIU *Jersey* is new on the list.

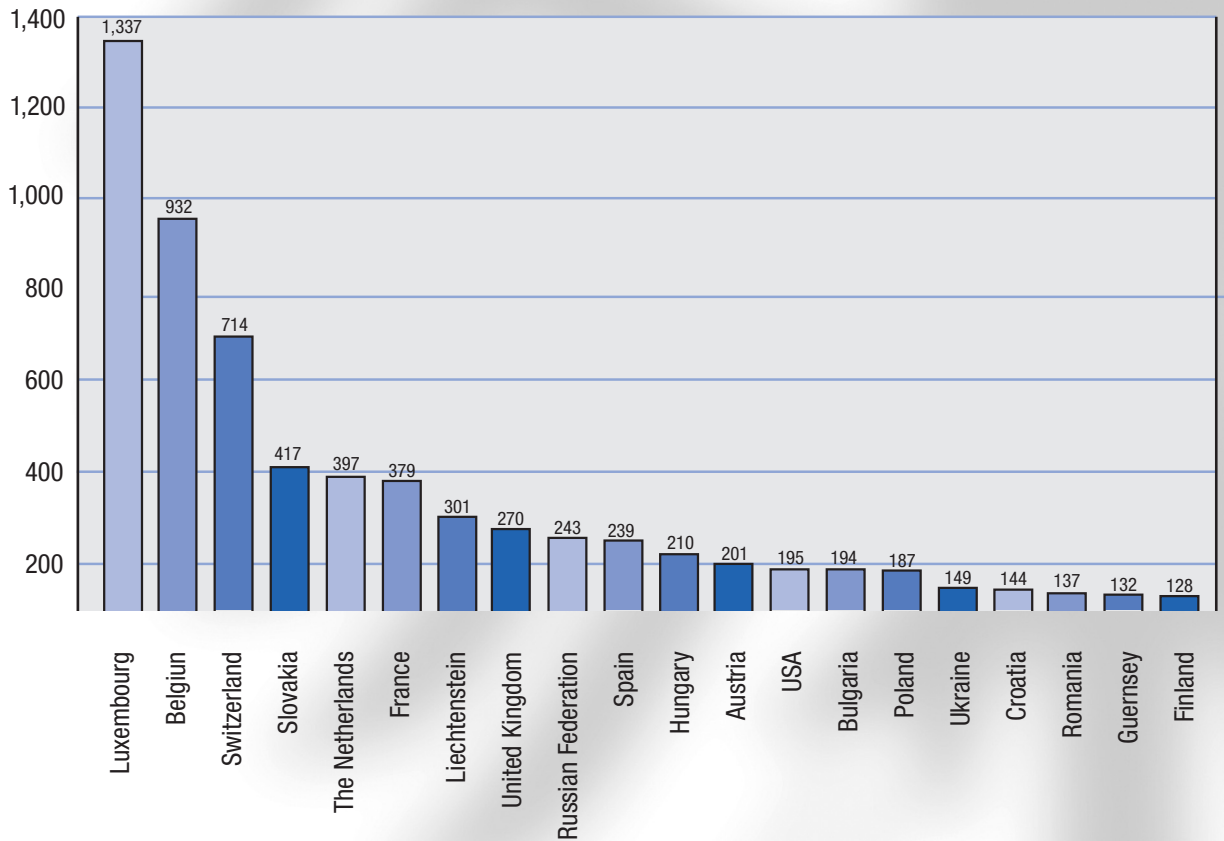


- With regard to the “**ranking**” of the individual FIUs on the list it can be seen that Luxembourg has maintained its position as most important partner of the FIU Germany for years and even consolidated it in 2014 by another considerable increase of the case figures. Major progress has been made concerning the volume of the enquiries received from the FIUs Slovakia, Jersey and Gibraltar. In contrast, the corresponding offices in Russia and Liechtenstein have moved much more down to the bottom of the list compared to the previous year.

- The **long-term consideration of the volume of enquiries sent by individual FIUs** again shows partly considerable fluctuations for the reporting year, both upwards and downwards. The FIU Germany has not found any explanatory approaches for these developments.

The following are the summed-up case figures recorded since 2003 for *those* foreign FIUs with which the FIU Germany most frequently exchanged information:

Graph 13: Senders of enquiries to the FIU Germany / Total numbers, 2003–2014 (TOP 20)



Here again, we can only repeat our last year's observation that this overview differs only in a few details from the previous year's graph. The statements

- "The focus is on the German neighbouring countries" and
- "No extra-European FIU (apart from the USA) is represented in the Top 20"

are still valid.

6.2 International events/contacts

In the field of the FIU's international co-operation, the annual **Egmont Executive Committee and Plenary Meeting** is one of the most important events. This year's event was held in Lima (Peru) from 01/06/2014 to 06/06/2014.

Amongst the more than 300 delegates of the FIUs and international organisations were also representatives of the FIU Germany.

The key issues on the agenda were in particular the *agreement on the budget, the central tasks for the three years ahead, the admission of new members and the re-structuring of the regional groups*. From the German point of view, the re-election of the head of the German FIU as representative of the European Regional Group in the Egmont Group Executive Committee is above all worth mentioning.

The FIU Hungary hosted the annual **Egmont Committee and Working Group Meeting** in Budapest from 16 to 19/02/2014 in order to prepare decision-making material for the above-mentioned Plenary Meeting in Lima and continue the work in the Egmont working groups.

Besides the Egmont meetings, the meetings of the **EU-FIU Platform** and the **FATF** are highly relevant in the field of the *international suppression of money laundering and terrorist financing*. Representatives of the FIU Germany (management and case officer level) attended the meetings of these bodies.

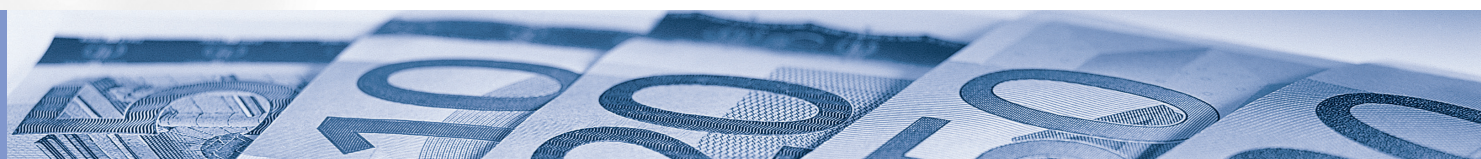
An important platform for the exchange of information and experiences is the annual **Anti-Money Laundering Seminar of the Deutsche Bundesbank**. During the seminar held this year, the FIU Germany had the opportunity to present a report on the German situation regarding this phenomenon to the representatives of 22 nations and to discuss the matter with them.

Besides the mentioned multilateral meetings, **bilateral meetings/events/on-the-job trainings** took place between the FIU Germany and representatives of co-operation partners in Switzerland, Austria, Jordan, Japan, the USA, Ukraine, Lithuania and the EU. A several days' on-the-job training within the framework of an EU training/funding programme is worth mentioning here: staffers of the FIU Ukraine visited the FIU Germany and the Hamburg Land Criminal Police Office and were presented the German money laundering suppression strategy.

6.3 Memorandum of Understanding

A memorandum of understanding (MoU) signed by two FIUs is always an important and indispensable instrument to combat money laundering and terrorist financing when at least one of the two FIUs has no other, independent legal basis for an international exchange of information.

The basis of co-operation for the FIU Germany is Section 10 subsection 2 of the Money Laundering Act. Not all agencies competent for the suppression of money laundering and terrorist financing in other countries have such a basis of co-operation.



Until the end of 2013, the FIU Germany signed a total of eight MoUs with the following FIUs due to this legal situation:

- Poland, 2004
- Russian Federation, 2005
- Canada, 2006
- Australia, 2008
- Japan, 2012
- Turkey, 2013
- South Africa, 2013
- Vatican City State, 2013

In 2014, preparations for an MoU with the FIU Malaysia were completed so that it will be signed in 2015⁸.

6.4 “FIU.net”

The FIU Germany has been involved in the EU project “FIU.net” since 2005. It has been running for 15 years now and aims at bringing the FIUs closer together at European level by establishing a secure information exchange system. The focus of the project is on developing software for the secure exchange of FIU information. The software is to ensure both an exchange and comparison of FIU information. The FIU Germany is intensively involved in this EU project. It is a member of the “Board of Partners”, the project’s executive and decision-making body, and plays a key role as a project partner. Moreover, it participates in the “FIU.Net User Workshops”, the annual meetings at working level.

⁸ This MoU was signed during the Egmont Committee and Working Group Meeting in Berlin in January 2015.

7 Financing of terrorism

7.1 General information

Suspicious transaction reports filed pursuant to the Money Laundering Act – especially for suspected *financing of terrorism*, continue to be a reliable instrument for the security authorities to generate suspicion.

The close co-operation between the FIU Germany, the state security offices of the German Länder and the State Security Division of the BKA ensures that – even with a steadily rising number of STRs – the contents of all suspicious transaction reports are checked for their state security relevance.

7.2 Suspicious transaction reports relating to the “terrorist financing” phenomenon

Of the total number of 24,054 STRs, 627 were forwarded to the State Security Division of the BKA for thorough checks. These were reports in which, after thorough examination by the competent clearing offices of the Länder and the Federation, possible links to politically motivated crime (PMC) could not be ruled out or which the obliged entities had explicitly marked as referring to suspected *terrorist financing*.

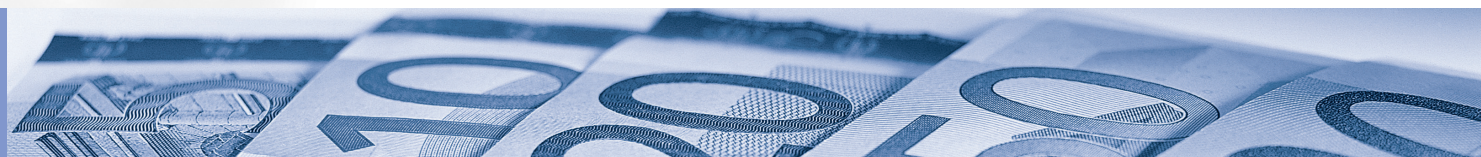
The following table shows the proportion of suspicious transaction reports filed for possible state security links and the number of STRs filed for suspected *terrorist financing* in relation to the total number of suspicious transaction reports filed by the reporting parties and in comparison to the previous years.

Table 9: Suspicious transaction reports filed for suspected “terrorist financing”, 2007–2014

	2007	2008	2009	2010	2011	2012	2013	2014
Number of STRs filed pursuant to the MLA	9,080	7,341	9,046	11,042	12,868	14,361	19,095	24,054
of them, STRs checked by the BKA's State Security Division	384	281	413	470	685	787	716	627
Percentage share of the total number of STRs	4.20%	3.80%	4.60%	4.30%	5.30%	5.50%	3.80%	2.60%
Total number of STRs filed by the parties required to report for suspected financing of terrorism	90	65	98	124	194	242	208	323
Percentage share of the total number of STRs	0.90%	0.90%	1.10%	1.10%	1.50%	1.70%	1.10%	1.30%

Note:

The figures listed in the last but one line also contain those STRs in which the credit institutions had **not** formally ticked “terrorist financing” as ground for suspicion but had mentioned it in the case-specific details.



In the 2014 reporting year, an increase was recorded both in the total number of suspicious transaction reports filed and in the suspicious transaction reports filed for suspected *terrorist financing*.

304 (508) suspicious transaction reports were transmitted to the State Security Division of the BKA which did not explicitly mention the suspicion of *terrorist financing*. In 111 of the 627 cases transmitted, a PMC relevance was finally established. This corresponds to 17.7%.

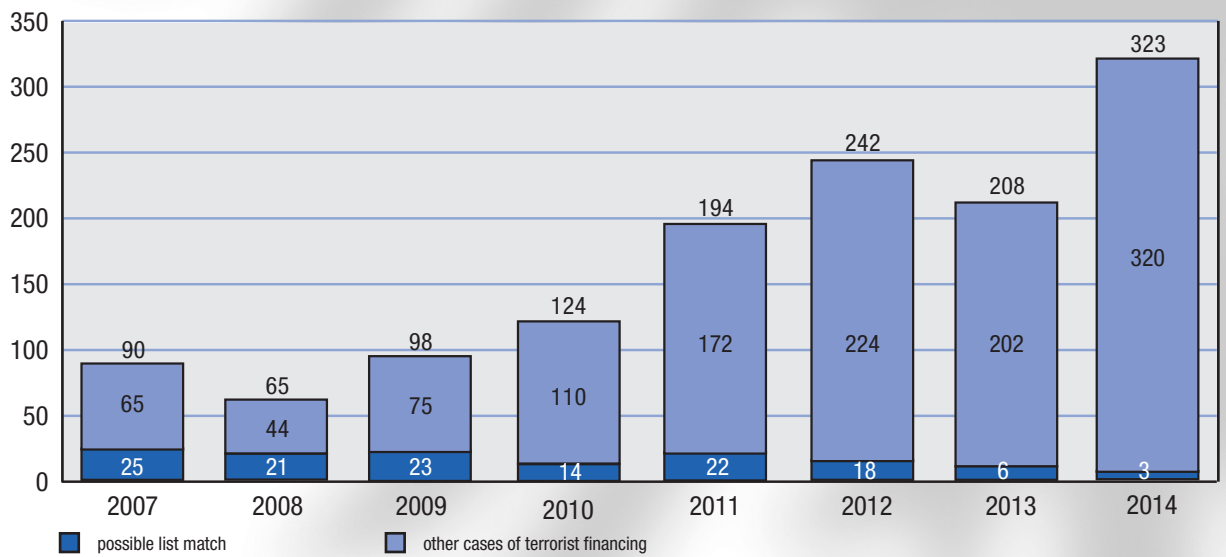
Checks of STRs for possible links to *terrorist financing*

In 323 (previous year: 208) of the 627 (716) cases transmitted to the State Security Division, the obliged entities had already mentioned *terrorist financing* as ground for suspicion. Thus, a significant increase compared to the previous year has been established. Besides other factors, this can be explained by the fact that *terrorist financing* is currently of global political importance due to the hotspots in the Middle East.

Suspicious transaction reports with possible list matches

Of the 323 STRs filed for suspected *financing of terrorism*, three were filed in 2014 for possible matches with the Regulations (EC) No. 2580/2001 and (EC) No. 881/2002 (so-called list matches).

Graph 14: Distribution of STRs filed for suspected “terrorist financing”, 2008–2014



In two cases, an actual match with persons listed in Regulation (EC) No. 881/2002 (Osama bin Laden, al-Qaeda, Taliban) was established.

The first case relates to a person who was sentenced by a German higher regional court for, among other things, membership in a foreign terrorist organisation (Ansar al-Islam). Shortly after his release from prison, the person concerned had attempted to open an account with a financial institution which was, however, denied because of his listing.

In the second case, an obliged party filed a suspicious transaction report for a person sentenced by a German higher regional court for, among other things, foundation of a foreign terrorist organisation ("Battalions of Bilal Al Habashi" in Sudan). After having served his prison term, the person concerned had attempted to conclude a motor vehicle liability insurance via the Internet, which was denied once his listing had been established.

In the third case, the suspect could not be definitely linked to the person listed owing to missing parameters like date and place of birth.

7.3 FIU information exchange in the field of *terrorist financing*

All FIU enquiries from abroad were checked with regard to their PMC relevance in the 2014 reporting year. Information of state-security relevance was established in 8.9% of the cases (previous year: 2.5%).

Four FIU enquiries to foreign FIUs were sent explicitly for suspected *financing of terrorism*. In two of the cases, information of state-security relevance was also available in Germany.

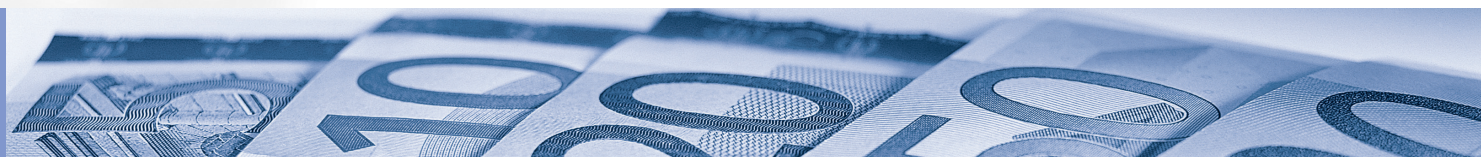
7.4 Conclusion

In contrast to the increase in the total number of suspicious transaction reports, the number of STRs transmitted to the State Security Division of the BKA has dropped (from 716 to 627).

Nevertheless, an increase in the number of STRs filed for suspected terrorist financing (from 208 to 323) and also a sharp increase in the number of cases showing a relevance to PMC after clearing (from 62 to 111) have been recorded. This shows that, in 2014 again, the suspicious transaction reports often contained information leading to additional terrorism-related investigations or supporting existing investigative proceedings.

The almost linear increase in the number of suspicious transaction reports filed for suspected *terrorist financing* is likely to continue in 2015 against the background of the developments in Syria/Iraq.

Within the framework of a holistic suppression approach, this instrument will remain an important component for generating suspicion and for prosecution in the field of counterterrorism.



8 FIU Germany – Background information

8.1 Legal basis

The tasks and responsibilities of the FIU Germany are defined as follows in Section 10 of the Money Laundering Act:

Section 10 Financial Intelligence Unit

(1) As central agency within the meaning of section 2 (1) of the Federal Criminal Police Office Act (Bundeskriminalamtgesetz – BKAG), the Financial Intelligence Unit (Zentralstelle für Verdachtsmeldungen) of the Federal Criminal Police Office shall support the federal and state (Länder) police forces in the prevention and prosecution of money laundering and terrorist financing. The Financial Intelligence Unit of the Federal Criminal Police Office shall:

- 1. collect and analyse suspicious transaction reports transmitted pursuant to sections 11 and 14 and, in particular, arrange for the cross-checking of data stored by other agencies,*
- 2. notify the federal and Länder prosecution authorities without undue delay of any information concerning them and of any connections identified between criminal offences,*
- 3. keep statistics regarding the numbers and information referred to in Article 33(2) of Directive 2005/60/EC,*
- 4. publish an annual report analysing the suspicious transaction reports pursuant to no. 1 and*
- 5. regularly inform the institutions and persons subject to reporting obligations under this Act of the typologies and methods of money laundering and terrorist financing;*

(2) The Financial Intelligence Unit of the Federal Criminal Police Office shall cooperate with the financial intelligence units of other countries responsible for the prevention and prosecution of money laundering and terrorist financing. It is the financial intelligence unit as defined in Article 2(3) of the Council Decision 2000/642/JHA of 17 October 2000 concerning arrangements for cooperation between financial intelligence units of the Member States in respect of exchanging information (OJ L 271, p. 4).

(3) To the extent necessary for the performance of its functions pursuant to subsections 1 and 2, the Financial Intelligence Unit of the Federal Criminal Police Office may collect, process and use personal data in accordance with sections 7 to 14 and sections 27 to 37 of the Federal Criminal Police Office Act. In section 7 (2) of the Federal Criminal Police Office Act, the functions listed in subsections 1 and 2 shall replace the function as financial intelligence unit pursuant to section 2 (2) no. 1 of the Federal Criminal Police Office Act. Section 14 (1) of the Federal Criminal Police Office Act shall apply subject to the proviso that transmission to other countries' financial intelligence units shall also be permissible. The Financial Intelligence Unit of the Federal Criminal Police Office may request information from the Federal Financial Supervisory Authority pursuant to section 24c (3) sentence 1 no. 2 of the Banking Act where necessary to perform its functions in accordance with subsections 1 and 2.

(4) The Financial Intelligence Unit of the Federal Criminal Police Office may use the data transmitted by financial intelligence units of other countries only on the terms and conditions stipulated by the financial intelligence unit transmitting the data. In transmitting data to the financial intelligence unit of another country, it may, for its part, impose restrictions and conditions on the use of the data transmitted.

With regard to the responsibilities and powers of the Financial Intelligence Unit at the Bundeskriminalamt (called Federal Criminal Police Office in the Money Laundering Act) it is worth mentioning that also without a *Memorandum of Understanding (MoU)*, the FIU may co-operate with the corresponding central agencies of other countries and is authorised to retrieve information from the central German account register to fulfil its central office functions.

8.2 Performance of tasks

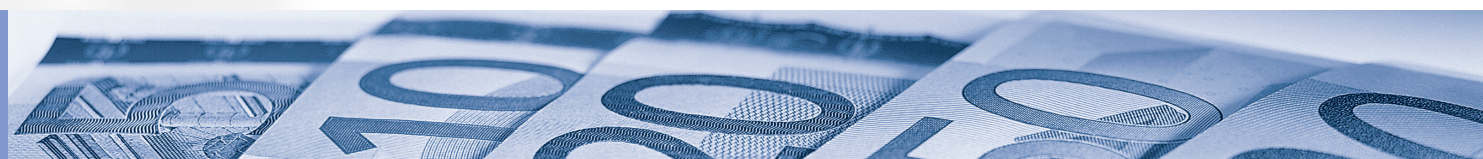
As a result of the federal structure of the Federal Republic of Germany and the provisions of (especially) the Money Laundering Act, the tasks of a national FIU in Germany are performed jointly by the authorities of the German Länder and the Federation.

While the tasks of the BKA as a central office for suspicious transaction reports are defined in Section 10 MLA, as stated above, the specialised units at the Land Criminal Police Offices undertake to subject all suspicious transaction reports filed to a clearing/analysis process to consolidate or eliminate the suspicion of money laundering or terrorist financing.

This process, based on a division of tasks and agreed in the *Guidelines for the handling of suspicious transaction reports under the MLA* guarantees a comprehensive and intensive handling of all suspicious transaction reports both under operational and strategic aspects. Besides supplementing relevant case information, the clearing process serves the filtering of the reports so that specialised units (at the police, customs or fiscal authorities) only receive the case details relevant for them for further handling.

A central database at federal level, which can be accessed by all analysis agencies involved, guarantees that there is no information loss.

As far as we know, the combination of computer-assisted processing with manual review and handling of every single report is practised by only very few FIUs worldwide and, for this reason, is an expression of the very high quality standard applied in the fight against money laundering and terrorist financing in Germany.



8.3 Staff

In the year under review, a total of about 280 people were employed by the German law enforcement authorities at federal and Land level for the (initial) handling of suspicious transaction reports under the German Money Laundering Act. This number remained basically unchanged compared to the previous year.

9 Summary and outlook

For the 2014 reporting period of the FIU Germany, there is *one* essential finding: The most important trends relating to the *money laundering* and *terrorist financing* phenomena, which were observed in the previous years, continued in 2014.

Specifically, it should be noted that growth rates in the two-digit-range regarding the suspicious transaction reports and the follow-up responses submitted by the public prosecutors' offices to the FIU have again been recorded. However, the quality of the STRs continues to show significant deficiencies. A reporting behaviour in line with the existing regulations on the part of the obliged entities is not only a matter of quantity, but also requires sufficient quality of the STRs. The reporting deficit already observed for years in the non-financial sector also continued in 2014.

An almost inevitable and understandable consequence of this development is that, even after having processed all STRs, the competent agencies have not established any noteworthy new trends, typologies or *modi operandi* in 2014.

The outlook on 2014 given in last year's annual report pointed out the future necessity for, inter alia, the government bodies involved in the suppression of money laundering and financing of terrorism to develop ideas on efficient structures to handle an extremely rising number of cases. Consequently, in the year under review, the relevant initiatives were launched and expedited by the BKA in co-operation with the competent police authorities in the German Länder. They are to be continued next year and first results are to be put into practice.

Another challenge for all parties involved will be the implementation of the 4th EU Money Laundering Directive which came into force on 25/06/2015. The concrete consequences of this Directive are believed to be manifold and are not yet exactly specifiable in some fields.



2014 ANNUAL REPORT

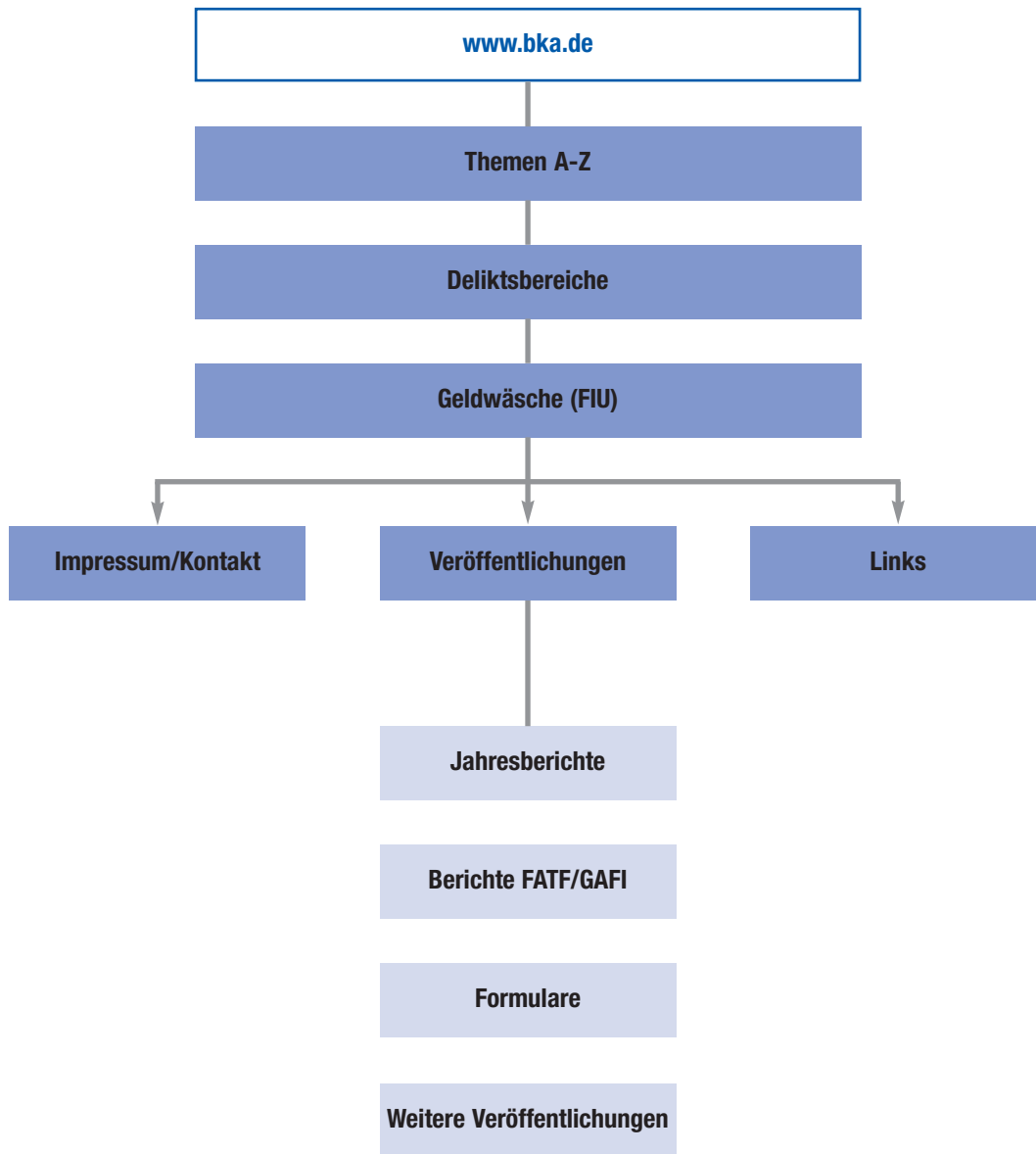
FIU GERMANY

10 Appendices:

**Appendix 1: Internet presentation of the FIU Germany
on the homepage of the BKA**

Appendix 2: List of Egmont Group members (Part 1)

Appendix 1: Internet presentation of the FIU Germany on the homepage of the BKA



Postanschrift:
Bundeskriminalamt
Referat SO 32
Zentralstelle für Verdachtsmeldungen/
Financial Intelligence Unit (FIU)
65173 Wiesbaden

Fax: +49(0)611 55-45300

Appendix 2: List of Egmont Group members (Part 1)⁹

Country	FIU-Name	Type	Location
Afghanistan	FinTRACA	Administrative	Central Bank
Albania	DBLKPP	Administrative	Ministry of Finance
Algeria	CTRF	Administrative	Independent
Andorra	UIFAND	Administrative	Independent
Angola	UIF	Administrative	Central Bank
Anguilla	MLRA	Administrative	Independent
Antigua & Barbuda	ONDCP	Administrative/Police	Independent
Argentina	UIF	Administrative	Ministry of Justice (Indep)
Armenia	FMC	Administrative	Central Bank
Aruba	MOT-Aruba	Administrative	Ministry of Finance
Aserbajdschan	FMS	Administrative	Central Bank
Australia	AUSTRAC	Administrative	Independent
Austria	A-FIU	Police	Ministry of Internal Affairs
Bahamas	FIU	Administrative	Independent
Bahrain	AMLU	Police	Anti-Economic Crimes Directorate
Bangladesh	BFIU	Administrative	Central Bank
Barbados	FIU	Administrative	Office of the Attorney General
Belarus	FIU	Administrative	Ministry of Finance
Belgium	CTIF-CFI	Administrative	Independent
Belize	FIU	Administrative/Pol/Judicial	Independent
Bermuda	BPSFIU	Police	Police
Bolivia	UIF	Administrative	Independent
Bosnia & Herzegovina	FID	Police	State Investigation and Protection Agency
Brazil	COAF	Administrative	Ministry of Finance
British Virgin Islands	FIA	Police	Financial Services Commission
Brunei	BPKP	Administrative	Ministry of Finance
Bulgaria	FIA	Administrative	Ministry of Finance
Burkina Faso	CENTIF	Administrative	Independent
Cameroon	ANIF	Administrative	Independent
Canada	FINTRAC/CANAFE	Administrative	Independent
Cayman Islands	CAYFIN	Administrative/Police	Atty General
Chile	UAF	Administrative	Independent
Colombia	UIAF	Administrative	Ministry of Finance
Cook Islands	CIFIU	Administrative	Independent
Costa Rica	UAF	Administrative	Presidential Office
Côte d'Ivoire	CENTIF-CI	Administrative	Independent
Croatia	AMLO	Administrative	Ministry of Finance
Curacao	MOT/FIU	Administrative	Ministry of Finance

⁹ See also www.egmont.org. – new members in 2014 are highlighted in colour

Appendix 2: List of Egmont Group members (Part 2)⁹

Country	FIU-Name	Type	Location
Cyprus	MO.K.A.S.	Judicial/Police	Attorney General's Office
Czech Republic	FAU-CR	Administrative	Ministry of Finance
Denmark	HVIDVASK	Judicial/Police	Public Prosecutor's Office
Dominica	FIU	Police	Independent
Egypt	EMLCU	Administrative	Independent
El Salvador	UIF-El Salvador	Administrative	Attorney General's Office
Estonia	FIU	Police	Estonian National Police
Fiji	Fiji-FIU	Administrative	Independent
Finland	RAP	Police	Police
France	TRACFIN	Administrative	Ministry of Finance
Gabon	NAFI	Administrative	Independent
Georgia	FMS	Administrative	Independent
Germany	FIU	Police	Federal Criminal Police Office
Ghana	FIC	Administrative	Independent
Gibraltar	GCID GFIU	Customs/Pol	Independent
Greece	Committee/Art 7	Administrative	Independent
Grenada	FIU	Police	Independent
Guatemala	IVE	Administrative	Superintendency of Banks of Guatemala
Guernsey	FIS	Customs/Pol	Indep. Service Authority
Holy See (Vatican City State)	AIF	Administrative	Independent
Honduras	UIF	Administrative	National Commission of Banks and Insurance
Hong Kong	JFIU	Customs/Pol	Police Headquarters
Hungary	HFIU	Police	National Tax and Customs Administration
Iceland	RLS	Police	National Icelandic Police
India	FIU-IND	Administrative	Independent
Indonesia	PPATK (INTRAC)	Administrative	Independent
Ireland	MLIU	Police	An Garda Síógana
Isle of Man	FCU-IOM	Customs/Pol	Police
Israel	IMPA	Administrative	Ministry of Justice
Italy	UIF	Administrative	Central Bank
Jamaika	FID	Hybrid	Ministry of Finance
Japan	JAFIC	Administrative/Police	Nat'l Public Safety Commission/Nat'l Police Agency
Jersey	FCU-Jersey	Customs/Pol	Police
Jordan	AMLU	Administrative	Independent
Kasachstan	Terrorist Financing Unit	Administrative	Ministry of Finance
Korea (South)	KoFIU	Administrative	Ministry of Finance/Economy

⁹ See also www.egmont.org. – new members in 2014 are highlighted in colour

Appendix 2: List of Egmont Group members (Part 3)⁹

Country	FIU-Name	Type	Location
Kyrgyz	FIS	Administrative	Independent
Latvia	KD	Administrative	Prosecutor's Office
Lebanon	SIC	Administrative	Central Bank
Liechtenstein	EFFI	Administrative	Ministry of Finance
Lithuania	MDP prie VRM	Police	Ministry of the Interior
Luxembourg	CRF	Judicial	Prosecutor's Office
Macau SAR, Ch.	GIF	Administrative	Independent
Macedonia	MLPD	Administrative	Ministry of Finance
Malawi	FIU Malawi	Administrative	Independent
Malaysia	FIU/UPW	Administrative	Central Bank of Malaysia
Mali	CENTIF-MALI	Administrative	Ministry of Finance
Malta	FIAU	Administrative	Independent
Marokko	UTRF	Administrative	Independent
Marshall Isles	DFIU	Administrative	Banking Commission
Mauritius	FIU	Administrative	Independent
Mexico	UIF	Administrative	Ministry of Finance
Moldova	SPCSB	Police	Centre Comb. Crimes & Corr.
Monaco	SICCFIN	Administrative	Ministry of Finance
Mongolia	FIU-Mongolia	Administrative	Central Bank of Mongolia
Montenegro	APML	Administrative	Independent
Namibia	FIC	Administrative	Independent
Netherlands	MOT	Administrative	Ministry of Justice
New Zealand	NZ Police	Police	Police
Nigeria	NFIU	Administrative	EFCC (Law Enforcement)
Niue	FIU	Administrative	Crown Law Office
Norway	ØKOKRIM	Police/Judicial	Police
Panama	UAF-Panama	Administrative	National Security Council
Paraguay	UAF-Seprelad	Administrative	Independent
Peru	UIF	Administrative	Independent
Philippines	AMCL	Administrative	Central Bank
Poland	GIIF	Administrative	Ministry of Finance
Portugal	UIF	Police	Police
Qatar	QFIU	Administrative	Central Bank
Romania	ONPCSB	Administrative	Independent
Russia	FMC	Administrative	Independent
Samoa Inseln	SFIU	Administrative	Central Bank
San Marino	FIU	Administrative	Central Bank
Saudi Arabia	SAFIU	Administrative	Independent
Senegal	CENTIF	Administrative	Independent
Serbia	FCPML	Administrative	Independent

⁹ See also www.egmont.org. – new members in 2014 are highlighted in colour

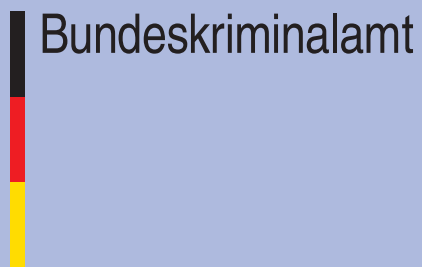
Appendix 2: List of Egmont Group members (Part 4)⁹

Seychelles	FIU	Hybrid	Independent
Singapore	STRO	Police	Police
Sint Maarten	MOT	Hybrid	Independent
Slovakia	OFIS ÚFP	Police	Ministry of Interior
Slovenia	OMLP	Administrative	Ministry of Finance
Solomon Inseln	SIFIU	Administrative/Inves	Central Bank
South Africa	FIC	Administrative	Independent
Spain	SEPBLAC	Administrative	Central Bank
Sri Lanka	FIU-Sri Lanka	Administrative	Central Bank of Sri Lanka
St. Kitts & Nevis	FIU	Administrative	Independent
St. Lucia	FIA-St. Lucia	Adm/Pol/Jud	Police
St Vincent & the Grenadines	FIU	Administrative	Independent
Sweden	NFIS	Police	Police
Switzerland	MROS	Administrative	Federal Office of Police
Taiwan	MLPC	Law Enforcement	Ministry of Justice
Tajikistan	FMD	Administrative	National Bank of Tajikistan
Tansania	TFIU	Administrative	Independent
Thailand	AMLO	Police/Administrative	Independent
Togo	CENTIF-TG	Administrative	Independent
Trinidad and Tobago	FIUTT	Administrative	Ministry of Finance
Tschad	NAFI	Administrative	Independent
Tunisia	CTAF	Administrative	Independent
Turkey	MSK – FCIB	Administrative	Ministry of Finance
Turks & Caicos	FCU	Adm/Pol/Pros	Police
Ukraine	SDFM	Administrative	Ministry of Finance
United Arab Emirates	AMLSCU	Administrative	Central Bank
United Kingdom	SOCA/FIU	Police	Police
United States	FinCEN	Administrative	Ministry of Finance
Uruguay	UIAF	Administrative	Central Bank
Usbekistan	FIU	Police/Judicial	General Prosecutors Office
Vanuatu	FIU	Administrative	State Law Office
Venezuela	UNIF	Administrative	Superintendancy of Bank

⁹ See also www.egmont.org. – new members in 2014 are highlighted in colour

Page

50



Bundeskriminalamt

BUNDESKRIMINALAMT
Zentralstelle für Verdachtsmeldungen
FIU Deutschland
65173 Wiesbaden