

Financial Monitoring Unit (FMU) Government of Pakistan



QUARTERLY REPORT Analysis Division

JUL-SEP 2022

3rd Quarter Report

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EXECUTIVE SUMMARY

STRs

FMU received 6,144 STRs during the third quarter of the year 2022.

MAJOR SECTORS

Major reporting Sectors include Banks (4,827 STRs) and Exchange Companies (859).

CTRS

1,095,570 CTRs have been received during the third quarter (July-Sep) of the year 2022.

REPORTING DISTRICTS

Top three STR reporting districts (during the third quarter of 2022) are Karachi, Lahore, and Islamabad with 1,370, 811 and 615 reported STRs, respectively.

OFFENCES

Top 3 Offences during third quarter (Jul-Sep) of the year 2022, in terms of number of disseminated Financial Intelligences, are Tax Crimes, Terrorism Financing and Hawala and Hundi and respectively.

STRATEGIC ANALYSIS

During the third quarter of 2022, FMU disseminated 8 Strategic Analysis.



THE TEAM

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Financial Monitoring Unit known as FMU, is the financial intelligence unit of Pakistan. Its core functions are to receive STRs and CTRs, their analysis and dissemination.

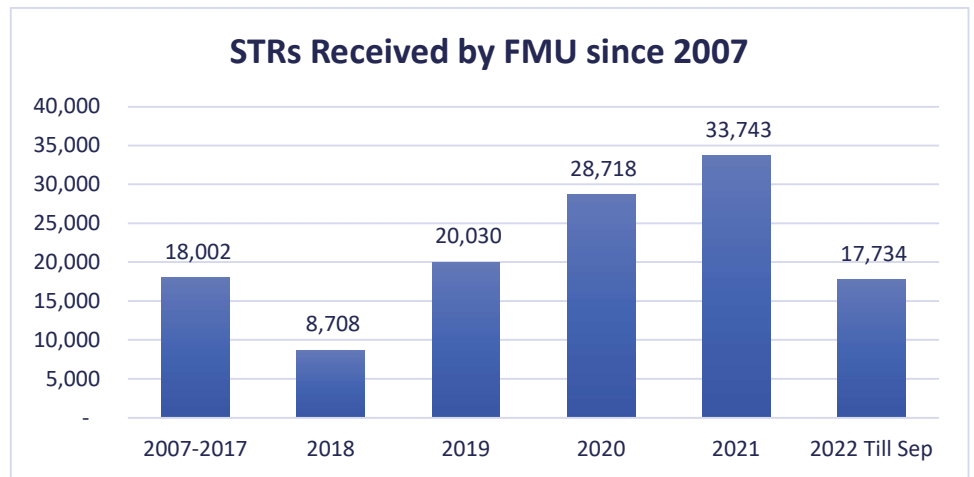
The STRs and CTRs are filed by financial institutions and designated non-financial businesses and professions.



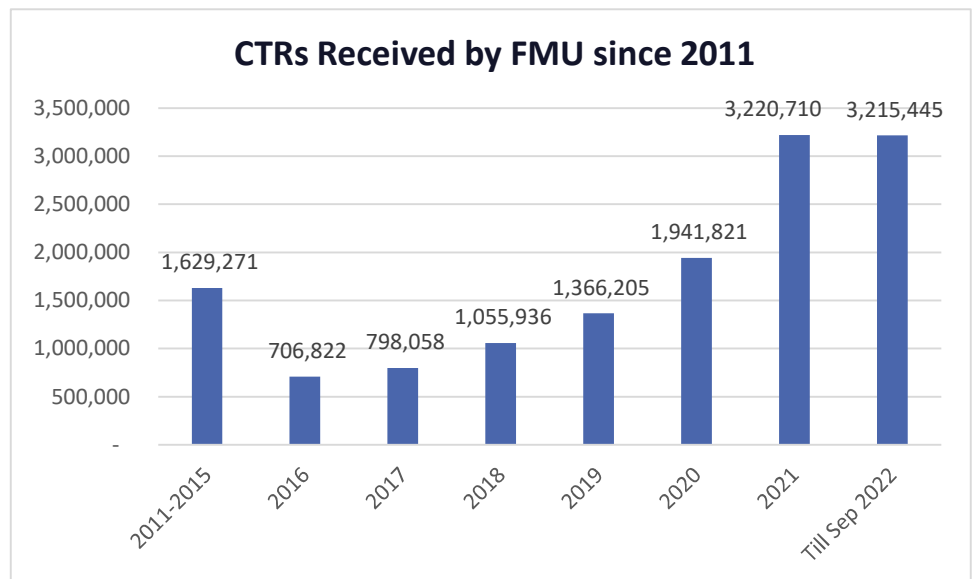
STRATEGIC ANALYSIS

FMU conducted 8 strategic analyses during the third quarter of 2022.

STRs RECEIVED BY FMU SINCE 2007



CTRs RECEIVED BY FMU SINCE 2011

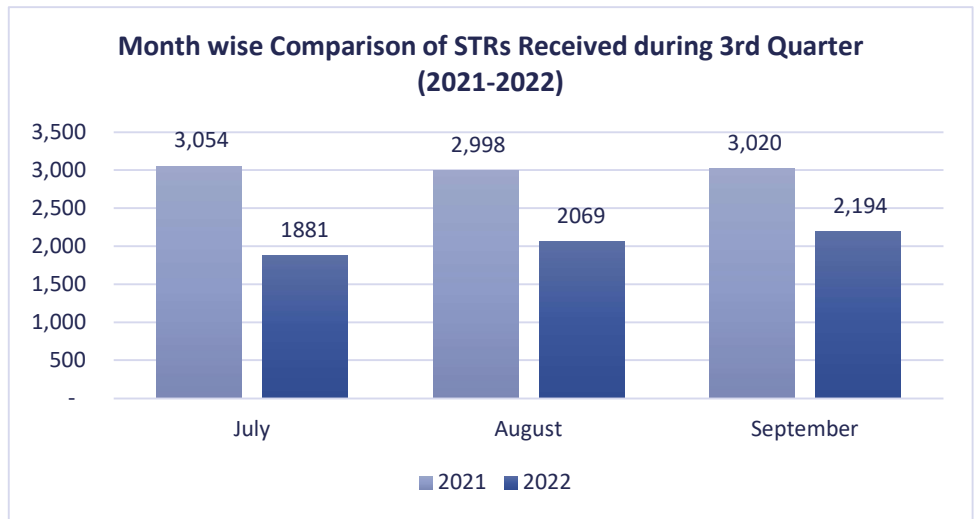


MONTH WISE STRS RECEIVED (JUL-SEP 2022)



STRs Reporting Comparison

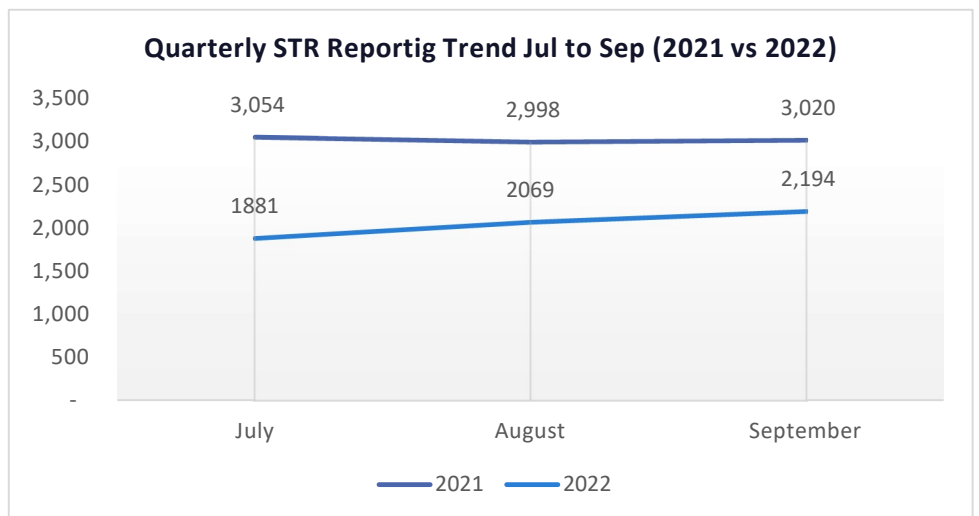
In comparison of STRs received during the third quarter of 2021, a decrease has been observed in STRs reported in third quarter of 2022.



Awareness Sessions

During third quarter of 2022 FMU organized two webinars for designated non-financial businesses and professions.

TREND

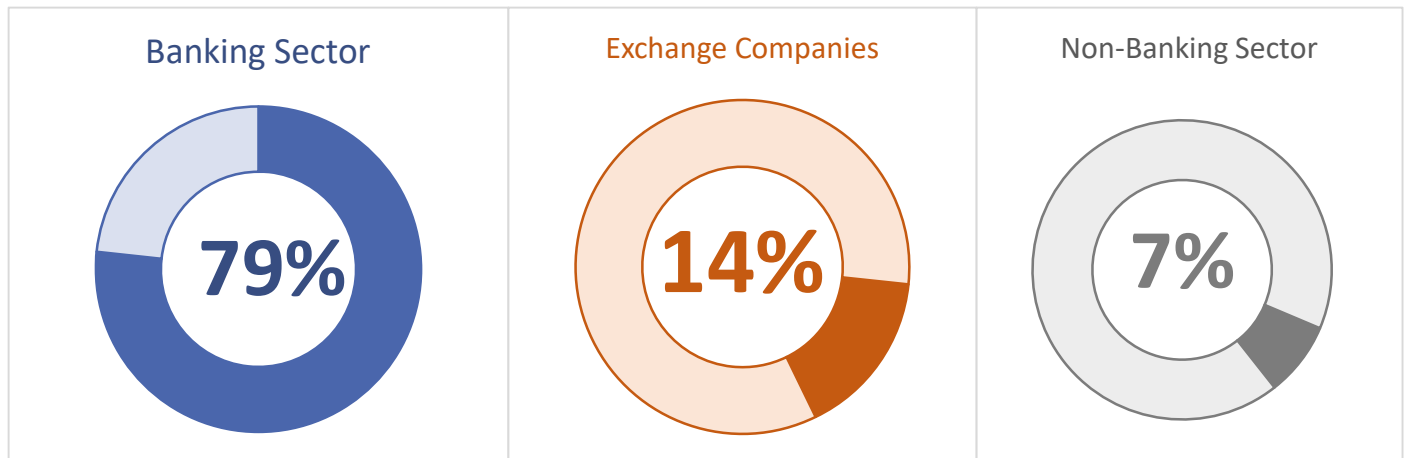


Compliance Meetings

During the period of Jul to Sep 2022, goAML taskforce and Compliance team conducted two feedback and compliance meetings with its reporting entities.

STRs RECEIVED - SECTOR WISE (Jul-Sep 2022)

	Jul	Aug	Sep	Total
Banking Sector	1,480	1,540	1,807	4,827
Exchange Companies	258	332	269	859
Non-Banking Sector	143	197	118	458

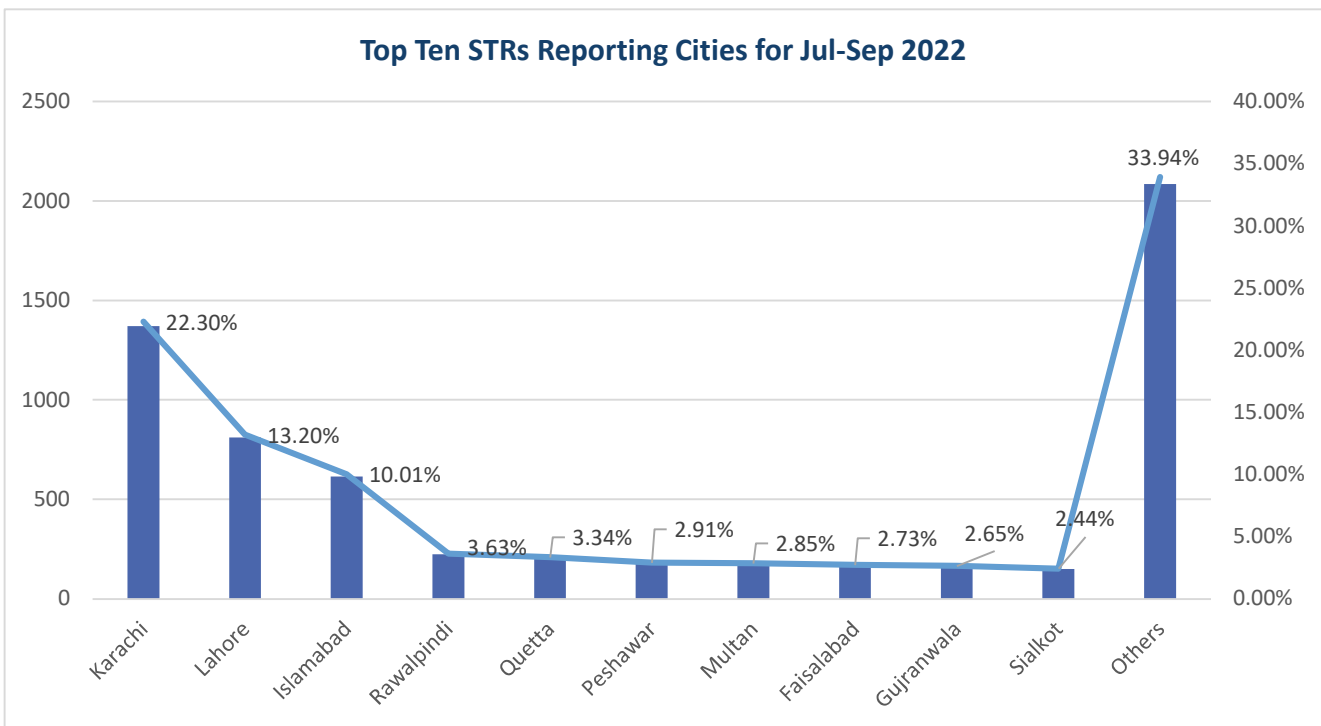


SECTOR WISE DETAILS OF STR REPORTING DURING 3RD QUARTER OF 2022

Sr. No.	Reporting of STRs (Institutions Wise)	Apr	May	Jun	Total
1	Banking Sector	1,480	1,540	1,807	4,827
1	Private Commercial Banks	819	926	1165	
2	Islamic Banks	187	189	220	
3	Foreign Banks	0	1	3	
4	Specialized Banks	3	1	0	
5	Public Commercial Banks	157	236	188	
6	Micro Finance Banks	314	187	231	
2	Exchange Companies (A) & (B)	258	332	269	859
7	Exchange Companies (A)	221	271	256	
8	Exchange Companies (B)	37	61	13	
3	Non-Banking Sector / NBFIs	60	58	42	160
09	Insurance	33	48	29	
10	Brokerage Firm	1	1	1	
11	Asset Management Company	24	6	12	
12	Micro Finance Institutions (MFIs)	2	3	0	
4	Supervisory Bodies (SBP, SECP, Directorate DNFBP)	4	18	35	57
13	SECP	4	18	35	
5	SBP BSC, CDNS	75	113	13	201
14	SBP, Banking Services Corporation (SBP-BSC)	60	112	2	
15	Central Directorate of National Savings	15	1	11	
6	DNFBPs	3	4	8	15
16	Dealers in Precious Metal and Stones	2	0	0	
17	Real Estate	1	4	8	
7	Electronic Money Institution (EMI)	1	04	20	25
	Total	1,881	2,069	2,194	6,144

TOP TEN STR REPORTING DISTRICTS (JUL-SEP 2022)

District	No. of STRs	% of Total STRs
Karachi	1370	22.30%
Lahore	811	13.20%
Islamabad	615	10.01%
Rawalpindi	223	3.63%
Quetta	205	3.34%
Peshawar	179	2.91%
Multan	175	2.85%
Faisalabad	168	2.73%
Gujranwala	163	2.65%
Sialkot	150	2.44%
Others	2085	33.94%
Total STRs	6,144	100%

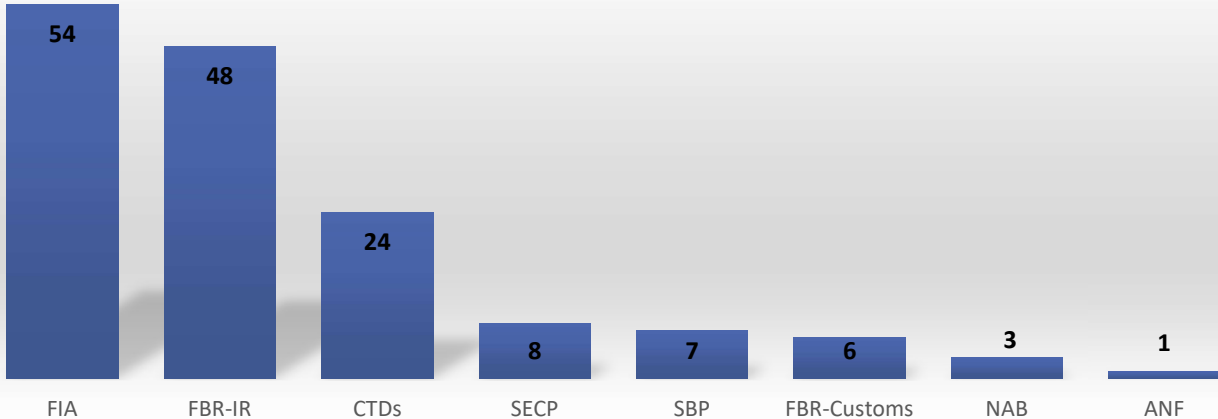


DISCLOSURES SENT TO LEAs

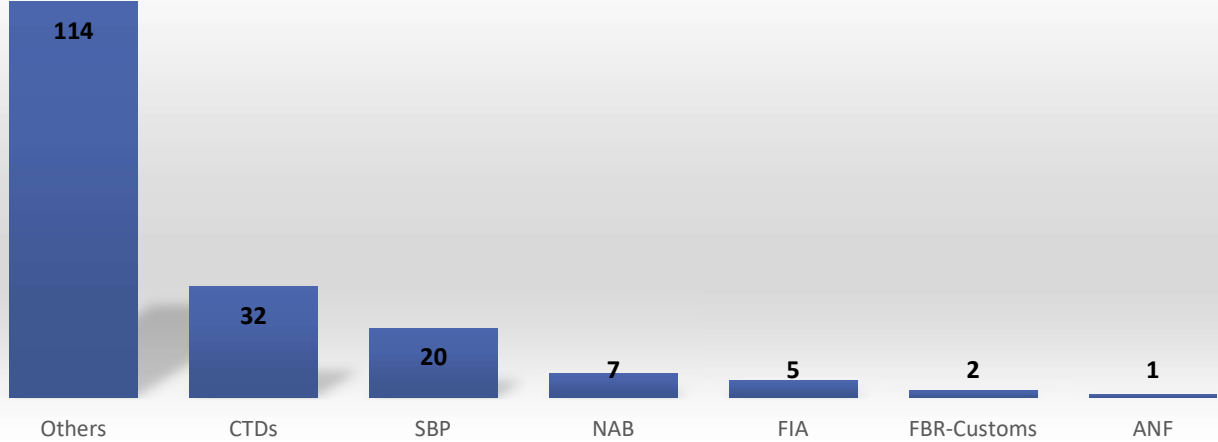
(JUL-SEP 2022)

Total Disclosures	Proactive Disclosures	Reactive Disclosures
332	151	181

Proactive Disclosure Q3-2022



Reactive Disclosure Q3-2022





FINANCIAL INTELLIGENCES DISSEMINATED TO LEAS (PREDICATE OFFENCE WISE) (JUL-SEP 2022)

	Designated categories of offences as per FATF	Q3 Jul-Sep 22
1	TF (UNSCR-1373)	24
2	TF (UNSCR-1267)	1
3	TF (others)	7
	TOTAL - Terrorism Financing	32

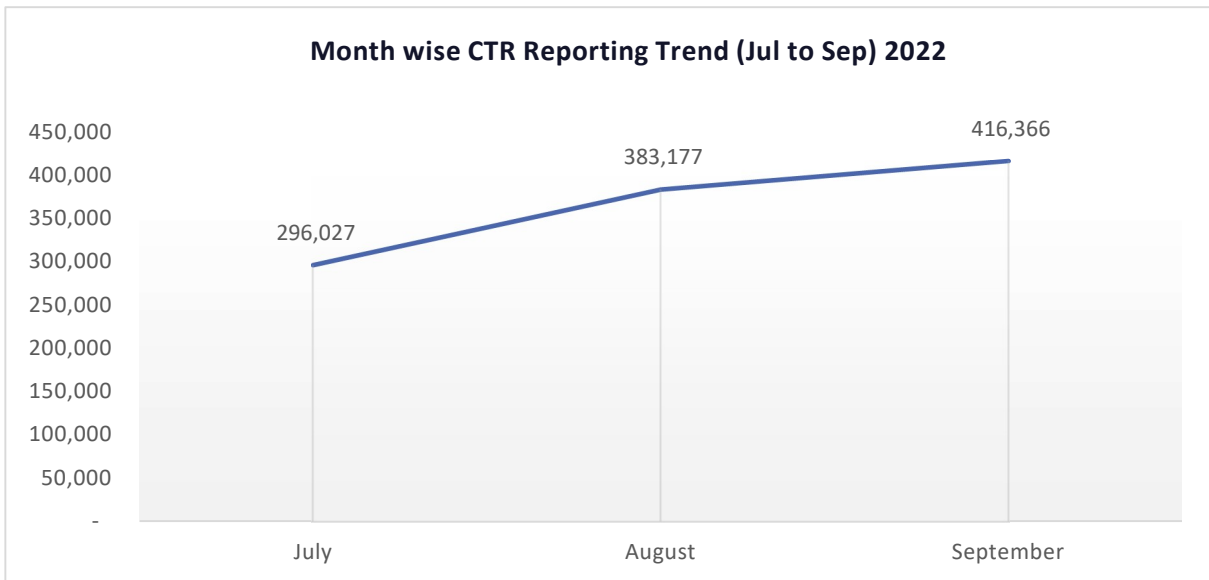
	Designated categories of offences as per FATF	Q3 Jul-Sep 22
1	Trafficking in human beings and migrant smuggling	2
2	Illicit arms trafficking/Illegal Arms and Ammunition	1
3	Illicit trafficking in narcotic drugs and psychotropic substances	2
4	Corruption and bribery/Unexplained Assets as per NAO/Cheating Public At large/ unjustified High Turnover	3
5	Fraud; / Ponzi	15
6	Misuse of Donations	1
7	Currency Smuggling	2
8	Forgery	1
9	Tax Evasion / Tax Crime	48
	TOTAL	75

	Other offences	Q3 Jul-Sep 22
1	Regulatory Violation/ Regulatory Advice	6
2	Virtual Currency	1
3	Trade Based Money Laundering (TBML)	4
4	Hawala/Hundi	23
5	Illegal Trade in financial instruments	3
6	Ground Check	7
	TOTAL	44

**Note: Several STRs may be aggregated to constitute one disclosure/ financial intelligence and may involve multiple disseminations.*

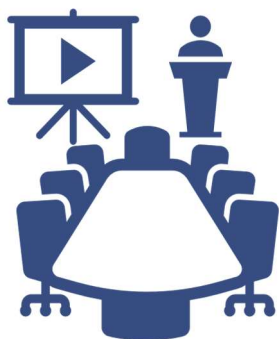
MONTH WISE CTRS RECEIVED (Jul-Sep 2022)

	Jul	Aug	Sep
Currency Transaction Reports (CTRs)	296,027	383,177	416,366





Capacity Building



Awareness Sessions

During the month of August 2022, FMU organized two Zoom based webinars for two different sectors of Designated Non-Financial Businesses and Professions (DNFBPs). These webinars were conducted for real estate sector and accountants which were attended by 315 participants. During last year, FMU onboarded different sectors of DNFBPs and has taken focused efforts for outreach to its new reporting sectors to enhance their understand and knowledge.

Compliance meetings

In month of July 2022, FMU also conducted two feedback and compliance meetings. One of them was with an exchange company while the other one was with private commercial bank. In these meetings, feedback was provided by highlighting major issues on previously reported STRs, and recommendations were provided thereof.





Strategic Analysis

Strategic Analysis at FMU is conducted to identify the underlying patterns and trends to draw conclusions for the prevention of money laundering, financing of terrorism and other serious offences, and to provide input for policy formulation and for setting operational priorities. During third quarter of 2022, FMU conducted 8 different strategic analysis, details of which are as under:

Sr No.	Topic of Strategic Analysis	No. of STRs/CTRs Analyzed/
1	Money laundering & terrorist financing risks associated with porous borders of Pakistan	246
2	Strategic Analysis on ML / TF Risks Associated with Currency Smuggling	33
3	Strategic Analysis on Currency Exchange – Risks of ML/TF	986
4	Strategic Analysis on Money Laundering & Terrorism Financing Risk Related to Branchless Banking	3092
5	Strategic Analysis on misuse of Housewife accounts and Student accounts.	1308
6	Strategic Analysis- Evaluation of Risks Associated with USD Exchange Rate Fluctuations as per reported STRs/ CTRs	2857
7	Strategic Analysis Report on Frauds	1252
8	Strategic Analysis-CTRs 2021-2022	3.99 million CTRs