

NINETY-FOURTH REPORT

OF THE

SALARIES REVIEW COMMISSION

OF THE

REPUBLIC OF TRINIDAD AND TOBAGO

September 13 , 2011

**NINETY-FOURTH REPORT OF THE SALARIES REVIEW
COMMISSION**

**Determination of the Salary and other Terms and
Conditions of Service of the offices of Director and
Deputy Director, Financial Intelligence Unit**

By letter dated April 4, 2011, His Excellency the President conveyed his approval for the Salaries Review Commission (SRC) to determine the salary and other terms and conditions of service of the offices of Director and Deputy Director, Financial Intelligence Unit (FIU). These offices were placed within the purview of the SRC by virtue of Legal Notice No. 22 dated February 18, 2011.

2. The FIU, a department of the Ministry of Finance, was established under section 3 of the Financial Intelligence Unit of Trinidad and Tobago Act, 2009, (The Act). The Act was assented to on October 9, 2009 and by proclamation, came into operation with effect from February 9, 2010. Subsequently, the Act was amended by the Financial Intelligence Unit of Trinidad and Tobago (Amendment) (No. 2 Act), 2011, (the (Amendment) Act).

3. Section 7 of the (Amendment) Act provides for the staff of the FIU to consist of a Director and Deputy Director and such other officers required for the performance of the functions of the FIU.

Functions and Powers of the FIU

4. Under section 8 of the Act, the FIU is the primary institution for the collection of financial intelligence and information and the analysis, dissemination and exchange of such financial intelligence and information among law enforcement authorities, financial institutions and listed businesses in Trinidad and Tobago and internationally. Additionally, financial institutions and listed businesses are obligated to report suspicious transactions and activities to the FIU.

5. In furtherance of the functions assigned to it, the FIU –

- (a) may request financial information from a financial institution or listed business in order to facilitate the exercise of its powers under the Act;

- (b) shall analyze and evaluate reports and information upon receipt thereof, to determine whether there is sufficient basis to transmit reports for investigation by any local or foreign law enforcement authority;
- (c) shall collect information as required for –
 - (i) the annual and periodic reports in accordance with section 18 of the Act; and
 - (ii) tactical analysis, in order to generate activity patterns, investigative leads and identify possible future behavior;
- (d) set reporting standards to be followed by financial institutions or listed business in furtherance of section 30 of the Proceeds of Crime (Amendment) Act;
- (e) engage in the exchange of financial intelligence with members of the Egmont Group (as defined in the Act);
- (f) disseminate at regular intervals, financial intelligence and information to local and foreign authorities and affiliates within the intelligence community, including statistics on recent money laundering practices and offences;
- (g) facilitate the sharing of information among local financial institutions and listed business and prosecutorial authorities;
- (h) provide information, advice and assistance to persons and law enforcement authorities, in furtherance of an investigation; and
- (i) provide assistance to financial institutions and listed business in connection with their obligations under the Act.

6. Additionally, the FIU is the supervisory authority for all listed businesses as defined in the Proceeds of Crime (Amendment) Act and non-regulated financial institutions. Listed businesses and non-regulated financial institutions include Co-operative Societies, Building Societies and persons carrying on postal services.

7. Section 11 of the (Amendment) Act allows the FIU to apply to the High Court for an Order to require a financial institution or listed business to disclose the information requested where such organizations fail or refuse to provide information or produce documents required by the FIU.

8. In order to secure compliance, the FIU has the power to:

- (a) enter into the business premises of a non-regulated financial institution or listed business during working hours and with the consent of the owner or occupier of such premises in order to –
 - (i) inspect or take documents or make copies or extracts of information from such documents;
 - (ii) inspect premises; and
 - (iii) observe the manner in which certain functions are undertaken; and
- (b) require any person on the premises to provide an explanation on any such information.

However, where a non-regulated financial institution or listed business fails to comply, a police officer of appropriate rank is required to apply for a warrant to enter the premises of such operations. Further, if the FIU acquires knowledge or has reasonable grounds to suspect that a person is engaging or has engaged in money laundering or the financing of terrorism, it is required to request an investigation by the relevant law enforcement authority.

9. In addition to the Act and the (Amendment) Act, a number of other laws govern the operations of the FIU, including:

- (a) the Proceeds of Crime Act;
- (b) the Anti-Terrorism Act;
- (c) the Financial Obligations Regulations, 2010;
- (d) the Financial Intelligence Unit of Trinidad and Tobago Regulations, 2011; and
- (e) the regulations made under the Anti-Terrorism Act.

Role and Function of the offices of Director and Deputy Director, FIU

10. We note that the Director, FIU is the head of the FIU and is responsible for its overall supervision and the implementation of policies in respect of anti-money laundering (AML) in accordance with the Act and complying with the provisions of the (Amendment) Act and other relevant legislation in respect of the financing of terrorism. The Deputy Director, FIU provides support to the Director, FIU in carrying out the functions prescribed in the Act and other relevant laws.

Duties and Responsibilities of the Director and Deputy Director, FIU

Director, FIU

11. We observe that the main duties and responsibilities of the office of Director include:

- overall supervision of the FIU;
- implementation of AML/CTF (counter terrorist financing) policies: developing, disseminating and verifying compliance with policies and regulations to prevent money laundering and terrorist financing within the country;
- promoting legislative changes, in order to improve the systems that fight money laundering and terrorist financing;
- representing the FIU at international fora;
- taking decisions after the FIU has concluded its analysis of suspicious transactions or activity reports as to whether or not to submit such matters to the relevant law enforcement authority;
- referring information on evidence of money laundering or terrorist financing to relevant law enforcement authorities;
- submitting annual reports to the Minister of Finance on the performance of the FIU;
- maintaining an administrative system and appropriate policies and procedures;
- producing the annual budget;

- requesting information from financial institutions to facilitate the functions of the FIU;
- coordinating the study by the FIU of new sectors affected or susceptible to being employed for the purposes of money laundering or the financing of terrorism.

Deputy Director, FIU

12. Also, we note that the Deputy Director has responsibility for:

- coordinating all the work relations among the different divisions of the FIU;
- supervising the overall process of suspicious operations analysis and its further dissemination to competent authorities;
- supporting the Director in the process of adjusting or changing AML/CTF regulation in order to improve the process of prevention;
- supporting the head of the Analysis Division in the process of recommending the dissemination of suspicious transactions/suspicious activity reports to the Director;
- supporting the head of the Analysis Division in the process of exchanging information with foreign FIUs;
- assuming all functions, duties and responsibilities of the Director in his/her absence;
- complying with general responsibilities to implement or maintain security policy;
- complying with specific responsibilities to protect official information.

Educational Qualifications and Training of Director and Deputy Director, FIU

13. We are advised the holder of the office of Director, FIU is required to possess a Bachelor's degree and Master's degree in Management Studies, Engineering, Economics, Finance or Law from an accredited university. Additionally, the office holder must have five (5) years experience in a

managerial capacity while knowledge of AML/CTF issues and Information Technology as well as familiarity with the roles of FIUs are desirable assets.

14. A holder of the office of Deputy Director, FIU must possess a Bachelor's degree or equivalent in Management Studies, Engineering, Economics, Finance or Law from an accredited university. A Master's degree in Management Studies and knowledge of banking, financial products, financial legislation, AML/CTF issues and Information Technology are considered desirable assets. In addition, the office holder must have five (5) years experience at the managerial level.

15. We compared the responsibilities of the office of Director, FIU with those of other offices within our purview and formed the view that the office of Director, FIU bears some similarity to the office of Comptroller of Customs and Excise (C&E) which is remunerated in Group 2B of the Top Managers in the Public Service grouping. In this connection, we took into consideration the fact that the Director, FIU heads the FIU which is a Department of the Ministry of Finance and reports to the Permanent Secretary of the Ministry. However, the Director, FIU operates with autonomy regarding all decisions related to the prevention of money-laundering and the funding of terrorism as prescribed in legislation. Similarly, we note that the Comptroller, C&E is head of the C&E Division in the Ministry of Finance which operates practically as an autonomous Department. The Comptroller, C&E also reports to the Permanent Secretary but exercises considerable judgement and initiative in the planning and guidance of the work of his Division.

16. Like the office of Comptroller, C&E, the Director, FIU is required to be a guardian of the State against specific illegal practices through vigilance and the application of relevant laws. However, whereas the Comptroller, C&E has powers of arrest, entry, search and seizure, the Director, FIU does not possess such powers.

17. We are of the view that the office of Deputy Director, FIU shares some similarities with the office of Deputy Comptroller, C&E. The latter office is classified in Group 3B of the Top Managers in the Public Service grouping. Like the Deputy Comptroller, C&E in relation to the Comptroller, C&E, the Deputy Director, FIU plays a supporting role to the Director, FIU. In the same manner as the Deputy Comptroller, C&E, the Deputy Director, FIU assists in carrying out the functions prescribed in the relevant laws which govern the operations of the respective entities. The holders of both offices coordinate operations and activities in their respective spheres. Also, we note that the educational qualifications and experience required for the offices are comparable.

Recommendations

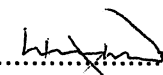
18. Having regard to the foregoing, we recommend that the office of Director, FIU be placed in Group 2B of the Top Managers in the Public Service grouping and the office of Deputy Director, FIU in Group 3B. With respect to the specific remuneration arrangements which should apply, we are of the view that the Duty Allowance applicable to the office of Comptroller, C&E is not appropriate for the office of Director, FIU as the duties of that office would not require the office holder to be available on a twenty-four hour basis. The recommended remuneration arrangements for both offices are contained in Appendices I and II.

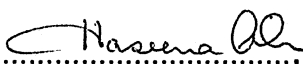
19. Further, since the offices of Director, FIU and Deputy Director, FIU are in the Civil Service, we recommend that the necessary steps be taken in accordance with section 2 of the Pensions Act, Chap. 23:52, to have the offices made pensionable under that Act.

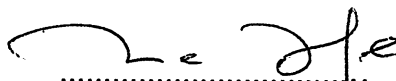
Effective Date

20. We recommend that the remuneration arrangements for the offices of Director, FIU and Deputy Director, FIU be made effective from February 18, 2011, the date on which the offices were brought within the purview of the SRC.

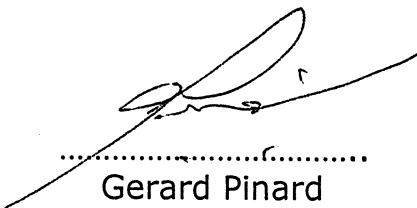
Dated this 13th day of September, 2011.


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Edward Collier
(Chairman)


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Haseena Ali



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Marjorie Thorpe



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Gerard Pinard



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Kenneth Dalip

**Recommended remuneration arrangements for the
office of Director, Financial Intelligence Unit**

Salary

\$24,400 per month.

Transport Facilities

- (i) A maximum loan of \$200,000 at a rate of interest of 6% per annum repayable over a period of six (6) years to facilitate the purchase of either:-
 - (a) a new motor vehicle with exemption from Motor Vehicle Tax limited to the amount payable on a vehicle with an engine capacity of 1999cc and exemption from Value Added Tax to a maximum of \$36,000; or
 - (b) a used motor vehicle with exemption from Special Motor Vehicles Tax limited to the maximum amount payable in respect of Motor Vehicle Tax on a vehicle at (a) above and exemption from Value Added Tax to a maximum of \$36,000.
- (ii) A loan to cover the cost of Motor Vehicle Insurance premium at a rate of interest of 6% per annum.
- (iii) A maximum loan of \$20,000 at a rate of interest of 6% per annum to effect repairs to a motor vehicle.
- (iv) A Transportation Allowance of \$3,250 per month.

Service Allowance

\$4,500 per month.

Subsistence Allowance

- (i) \$130 per day when travelling on official business beyond a radius of sixteen (16) kilometres from official headquarters, and where it is necessary to purchase a meal(s).

- (ii) When on duty in Tobago the office holder to be eligible for hotel accommodation and meals, as necessary. In the absence of the provision of any meal(s) to be paid \$130 per day.
- (iii) For travel abroad on official business, US\$100 per day, once not in receipt of other allowances for overseas travel, such as those payable under Minister of Finance Circular No. 2 dated April 7, 2006.

Housing Allowance

\$6,450 per month.

Entertainment

Actual expenses incurred for official entertainment to be met from an official Entertainment Vote under the control of the Ministry of Finance.

Vacation Leave

Thirty (30) calendar days per annum.

Telephone Facilities

\$500 per month.

Medical benefits

Membership in and entitlement to medical benefits as provided under the UNIMED Group Health Plan.

Pension/Gratuity

Entitlement to superannuation benefits in accordance with the provisions of the Pensions Act, Chap. 23:52, subject to the office being made pensionable under that Act.

Appendix II

Recommended remuneration arrangements for the office of Deputy Director, Financial Intelligence Unit

Salary

\$20,400 per month.

Transport Facilities

- (i) A maximum loan of \$200,000 at a rate of interest of 6% per annum repayable over a period of six (6) years to facilitate the purchase of either:-
 - (a) a new motor vehicle with exemption from Motor Vehicle Tax limited to the amount payable on a vehicle with an engine capacity of 1999cc and exemption from Value Added Tax to a maximum of \$36,000; or
 - (b) a used motor vehicle with exemption from Special Motor Vehicles Tax limited to the maximum amount payable in respect of Motor Vehicle Tax on a vehicle at (a) above and exemption from Value Added Tax to a maximum of \$36,000.
- (ii) A loan to cover the cost of Motor Vehicle Insurance premium at a rate of interest of 6% per annum.
- (iii) A maximum loan of \$20,000 at a rate of interest of 6% per annum to effect repairs to a motor vehicle.
- (iv) A Transportation Allowance of \$3,250 per month.

Subsistence Allowance

- (i) \$130 per day when travelling on official business beyond a radius of sixteen (16) kilometres from official headquarters, and where it is necessary to purchase a meal(s).
- (ii) When assigned/transferred to Tobago (or to Trinidad where the office holder is stationed in Tobago), the following to be applicable:-

(a) **Official duty or assignment of one (1) month or less**

The office holder to be eligible for hotel accommodation and meals, as necessary. In the absence of the provision of any meal(s), to be paid \$130 per day. (The provision at (i) above shall not apply.)

(b) **Temporary assignments in excess of one (1) month and not exceeding six (6) months**

The office holder to be responsible for his/her accommodation and meals. However, the State may, at its option, provide accommodation only for the office holder.

(i) Where accommodation only is provided by the State, to be paid a Tobago/Trinidad Duty Allowance of \$1,850 per month.

(ii) Where accommodation is not provided by the State, to be paid a Tobago/Trinidad Duty Allowance of \$4,500.

(c) **Permanent transfer to Tobago/Trinidad (periods in excess of six (6) months)**

The office holder to be responsible for his/her accommodation and meals.

(i) Where the office holder is eligible for a Housing Allowance, to be paid, in addition to such allowance, a Tobago/Trinidad Duty Allowance of \$1,850 per month for a period not exceeding two (2) years.

(ii) Where the office holder is not eligible for a Housing Allowance, to be paid a Tobago/Trinidad Duty Allowance of \$4,500 per month for a period not exceeding two (2) years.

(iii) For travel abroad on official business, US\$100 per day, once not in receipt of other allowances for overseas travel, such as those payable under Minister of Finance Circular No. 2 dated April 7, 2006.

Housing Allowance

\$3,850 per month.

Entertainment

Actual expenses incurred for official entertainment to be met from an official Entertainment Vote under the control of the Ministry of Finance.

Vacation Leave

Thirty (30) calendar days per annum.

Telephone Facilities

An allowance of \$400 per month.

Medical benefits

Membership in and entitlement to medical benefits as provided under the UNIMED Group Health Plan.

Pension /Gratuity

Entitlement to superannuation benefits in accordance with the provisions of the Pensions Act, Chap. 23:52, subject to the office being made pensionable under that Act.