

# Combating money laundering, part 3: status in 2021

2022



Algemene  
Rekenkamer

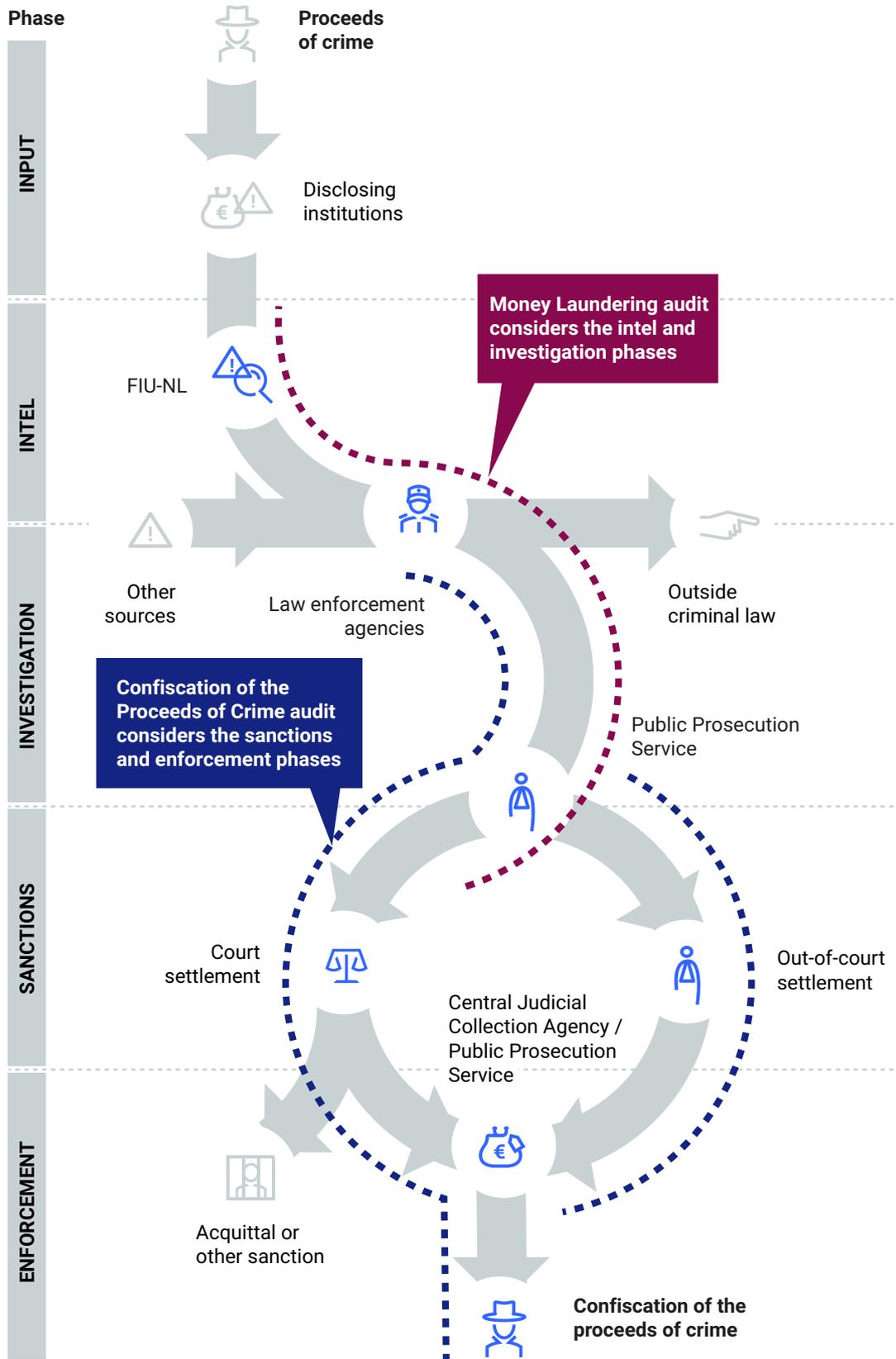
# Foreword

This is the third in a series of reports issued by the Netherlands Court of Audit in the past 2 decades on measures taken to combat money laundering: the illegal process of turning the proceeds of crime into ostensibly legitimate assets in such a way as to conceal their illegal origin.

Our audits in 2008 and 2014 had found shortcomings in the anti-money laundering (AML) system. This present audit investigates whether the Minister of Finance and the Minister of Justice and Security (J&V) have taken appropriate measures to remedy them. We look at the disclosure system in place for unusual transactions. It begins when a private company or institution (e.g. a bank, notary or accountant) makes a disclosure. If they suspect that a client is making an unusual financial transaction they have a duty to report it to the Financial Intelligence Unit (FIU). The FIU, law enforcement agencies and the Public Prosecution Service (OM) together form the public side of the system.<sup>1</sup> Our audit considers what the public bodies do when a company or institution discloses an unusual transaction.

In parallel with this audit on combating money laundering, we investigated a closely related topic: the Minister of J&V's policy on the confiscation of the proceeds of crime (see the report entitled *Confiscation of the Proceeds of Crime*). The two audits were carried out in conjunction with each other and published on the same day. The money laundering audit considered the first part of the system and the audit on the confiscation of the proceeds of crime the second part. The figure below shows the relationship between the two. Both combating money laundering and confiscation of the proceeds of crime require cooperation between the various parties in the system (as shown in the figure below).

## Relationship between the audits on Combating Money Laundering and the Confiscation of the Proceeds of Crime



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# 1.

# Summary

A study commissioned by the Minister of Finance and the Minister of Justice and Security (J&V) concluded that €16 billion of illicit money was laundered in the Netherlands in 2014. By entering the regular economy and society through a series of illegal financial processes, this illicit money can have subversive consequences for the rule of law. In this, the third report on combating money laundering to be issued by the Netherlands Court of Audit, we ask whether the Minister of Finance and the Minister of J&V have taken appropriate measures to remedy the shortcomings we had found in our previous two audits in 2008 and 2014. The focus lies on the way in which public bodies responded in 2021 to suspected money laundering and other forms of criminal behaviour (unusual transactions). Disclosures made by private institutions are a significant factor in the fight against money laundering and other forms of crime.

## **Improvements in measures to combat money laundering**

We conclude from our audit that the Minister of Finance and the Minister of J&V have taken significant and meaningful anti-money laundering (AML) measures in recent years. They have increased their insight into the nature, scale and risks of money laundering and, based on this insight, introduced new policy and monitoring, and refined their response. They have also organised and set up partnerships and alliances to share AML information and knowledge. The ministers have also given higher priority and more funding to combating money laundering in recent years. The results, which we consider in this report to be indicators of the effectiveness of AML measures, will therefore probably have improved. More unusual transactions have been disclosed in recent years by banks, accountants, notaries and other disclosing

institutions. The Financial Intelligence Unit-Netherlands (FIU-NL), which receives and analyses the disclosures, has classified more of the transactions as suspicious. The law enforcement agencies have also referred more money laundering cases to the Public Prosecution Service (OM) and the OM has taken more cases to court. In turn, the courts have imposed more sanctions in money laundering cases.

### **No guarantees on the efficiency and effectiveness of the disclosure system**

We conclude from our audit that the disclosure system does not yet function optimally but it can process unusual and suspicious transactions more efficiently and effectively than in the past. However, the law enforcement agencies and OM cannot guarantee that disclosures with the highest risk will be investigated or prosecuted. Furthermore, law enforcement officers can carry out preliminary investigations of the same suspicious transactions separately from each other without knowing of each other's work. They therefore make suboptimal use of scarce financial expertise. The way in which FIU-NL inform law enforcement agencies about suspicious transactions, moreover, is open to improvement. Based on FIU-NL's information, the law enforcement agencies have difficulty selecting transactions that will probably deliver the most effective results in the fight against crime.

Money laundering can therefore be combated more efficiently and effectively and more justice can be done to the efforts taken by private organisations such as banks, currency exchange offices, accountants and notaries to disclose money laundering. In our opinion, the disclosure system in place for unusual transactions is ripe for a next step.

### **Poor insight into the efficiency of AML measures**

Despite the commitments given in 2008 and 2014 to act on our recommendations, the Minister of Finance and the Minister of J&V still do not have a useful insight into the efficiency and effectiveness of their AML measures.

The lack of a useful insight is due in part to the absence of specific policy objectives that are commensurate with the available budget. It cannot be said whether the system's performance is achieving the ministers' policy objectives. It also cannot be said whether efficient and effective use is being made of the regular and additional funding provided. The absence of specific policy objectives prevents the ministers from setting appropriate performance indicators and targets and deciding what information they need to determine whether AML measures are working or whether improvements are needed. As a result, it is not known whether and how public bodies

deal with the disclosures made by private institutions. Despite the ministers' commitments following our audits 14 and 8 years ago we found that there is still no systematic useful insight into the public bodies' use of information on suspicious transactions. Such insight is necessary to improve the system's efficiency and effectiveness.

### **Our recommendations**

We recommend that the Minister of Finance and the Minister of J&V act as quickly as possible to:

- formulate specific goals for AML measures (set policy objectives) and for disclosures of unusual transactions. They should then set performance indicators and targets and decide what information they need to determine whether the measures are on the right course or whether improvements should be made;
- improve the exchange of information between FIU-NL and the law enforcement agencies and ensure that FIU-NL and the law enforcement agencies investigate unusual and suspicious transactions with the highest risk profiles.

Improving insight into and accountability for the efficiency and effectiveness of AML measures is particularly germane at present. Under the coalition agreement, the recently installed fourth Rutte government will increase the budget available to combat money laundering.

### **Response of the ministers and the Court of Audit's afterword**

The Minister of J&V and the Minister of Finance write in their response to our draft report that there is scope to strengthen the public side of the disclosure system further. In close consultation with the parties concerned, they will study how they can put the improvement steps identified by the Court of Audit into practice. To implement the steps more widely, the ministers will seek opportunities to extend the feedback loop to the private parties. The ministers also refer to what the Court of Audit did not investigate but what they believe is relevant for effective prevention of money laundering. Furthermore, the ministers do not agree with our conclusion that their insight into the efficiency and effectiveness of policy implementation is inadequate.

In our afterword, we note that the ministers' response raised eyebrows at the Court of Audit. We had expected a more concrete response from them, given the firm commitments they had made following our previous audits in 2008 and 2014. Furthermore, we cannot conclude from the information submitted to parliament or

the documents we examined that the ministers' insight into the efficiency and effectiveness of policy implementation is adequate.

# 2.

## About this audit

### 2.1 Background

We have carried out two previous audits of money laundering. In 2008 we issued a report entitled *Combating Money Laundering and Terrorism Financing* (Netherlands Court of Audit, 2008) and in 2014 we published a follow-up entitled *Combating Money Laundering: Status in 2013* (Netherlands Court of audit, 2014).

In our 2008 and 2014 audits we called on the responsible ministers to improve their control and management of AML measures. We thought the ministers needed to improve their insight into the nature and scale of money laundering (and money laundering risks). They would then be able to set realistic policy objectives and targets and provide a budget appropriate to achieve them.

The ministers should then gather data to determine whether the policy objectives and targets are being met and refine their approach where necessary. The ministers could use the data they gathered to account to parliament for the efficiency and effectiveness of their AML measures. Our earlier audits looked specifically at the functioning of the disclosure system in place for unusual transactions. We found that the feedback to disclosing institutions, such as banks, jewellery dealers and notaries, about the use and added value of disclosures was inadequate. We therefore recommended that information on the use of disclosures should be improved. Records should be kept of how it was used in criminal investigations and the information should be made available to both FIU-NL and (anonymised) the disclosing institutions.

In response to our two earlier audits, the ministers committed to:

- strengthening their control and management;
- gaining more insight into money laundering risks;
- improving their insight into the results of disclosures of unusual transactions;
- gaining more insight into the effectiveness of AML measures;
- systematically informing parliament about money laundering risks and the results of AML policy.

We decided to carry out a new audit of AML measures in view of the sharp increase in the number of disclosures of unusual transactions made by disclosing institutions. Information from FIU-NL, which receives and analyses the disclosures, indicates that the number of disclosures increased from about 200,000 in 2011 to more than 722,000 in 2020 (see chapter 3). In this light, and given the findings of our earlier audits, the question of how disclosures are dealt with is more relevant than ever.

For this third audit, we looked at the situation in 2021 and asked whether the Minister of Finance and the Minister of J&V had remedied the shortcomings we had previously found in the AML system. We were particularly interested in the disclosure system's functioning and results, as it plays a key role in combating money laundering and other forms of crime.

## 2.2 Characteristics of money laundering

Money laundering is the process by which illicit funds are transformed into ostensibly legitimate assets in such a way as to conceal their illegal origin. Money laundering can take place in a variety of ways.

### *An example of money laundering*

Criminals can use the proceeds of dealing in cocaine to live a life of luxury. To avoid problems they can launder the money by setting up a company and creating notional turnover and profits so that their income appears to be legitimate.<sup>2</sup>

In this and many other ways, money obtained illicitly can be brought into the legal circuit via financial institutions (such as banks) or financial service providers (such as notaries).

### *Money laundering risks*

Money laundering enables criminals to hold a respectable position in the legitimate economy. It blurs the distinction between the underworld and the legitimate world

and can undermine the fabric of society. Money laundering also poses a risk to the integrity of the financial system and to national and international trust in the operation of the financial markets in the Netherlands.

#### *Scale of money laundering*

As money is usually laundered out of the government's sight, it is difficult to say how much money is involved. The government has commissioned several studies of illicit money flows and money laundering. One of the most recent studies estimated that Dutch criminals laundered €16 billion in the Netherlands in 2014 (Unger et al., 2018).

## 2.3 Audit question

Our key audit question was: Have the Minister of Finance and the Minister of J&V taken appropriate measures to remedy the shortcomings found by our audits in 2008 and 2014? We focus on the situation in 2021 and the way in which public bodies deal with reports of money laundering and other forms of crime (unusual transactions) made by private institutions. We investigated whether:

- the disclosure system in place for unusual transactions was organised such that disclosures of unusual transactions were processed and dealt with efficiently;
- the effectiveness of the disclosure system in place for unusual transactions was transparent and had improved in recent years.

The ministers have not set AML performance indicators or targets. As in our previous audits, we therefore use a number of results as indicators of the effectiveness of the measures. The results we used as indicators were the numbers of unusual transactions, suspicious transactions, investigations, summonses and court judgments.

## 2.4 Audit method

We drew on several sources for the purposes of this audit:

- *documented* process descriptions, covenants and cooperation agreements, policy documents, management information, budgets and accounting information,
- *interviews* with (a) private and public parties involved in combating money laundering or the disclosure system, and (b) investigators and experts with knowledge of the disclosure system,
- *quantitative data* on results that we used as indicators of the effectiveness of AML measures, i.e. the numbers of unusual transactions, suspicious transactions, investigations, summonses and court judgments between 2002 and November 2020 (in so far as available).

We also carried out a small-scale case study to determine how public bodies actually dealt with disclosures of unusual transactions.

## 2.5 Organisation of this report

This report is organised as follows. Chapter 2 outlines the measures taken by the Minister of Finance and the Minister of J&V to combat money laundering. Chapter 3 looks at the improvements the ministers have made to combat money laundering since our audits in 2008 and 2014. Chapter 4 shows that the AML results cannot be linked to measurable targets or the regular or additional funding provided for the measures. It also shows that, despite the ministers' commitments, they still have no insight into how disclosures are dealt with. On the basis of our case study, chapter 5 describes the problems that prevent the government from processing and dealing with unusual transactions efficiently. Chapter 6 presents our audit conclusions and recommendations and the report closes with the response of the ministers and our afterword in chapter 7.

# 3.

## Combating money laundering in 2021

In this chapter we describe the tasks, powers and responsibilities that the Minister of Finance and the Minister of J&V can exercise to combat money laundering. We also describe the measures they have taken and consider the system in place for the disclosure of unusual transactions.

### 3.1 Responsibilities of the ministers

The Minister of Finance and the Minister of J&V are responsible for combating money laundering. We understand combating money laundering to be the prevention and detection of money laundering and the measures that are actually taken when money laundering is detected. The ministers decide on the policy and introduce laws and regulations to achieve the policy. They inform parliament about the AML policy through their budgets and annual reports and by means of specific policy information, such as progress reports on the implementation of the AML action plan.

The Minister of Finance is responsible for the proper functioning and integrity of the financial markets. She is also responsible for the organisation, operation and development of the Fiscal Information and Investigation Service (FIOD) and is involved in the adoption of the FIOD and OM's enforcement arrangement.<sup>4</sup> Together with the Minister for Legal Protection, she is responsible for supervising private institutions' compliance with their legal obligation to disclose unusual transactions. Three supervisory authorities (the Authority for the Financial Markets, De Nederlandsche Bank and the Tax and Customs Administration's Supervision Office for the prevention of money laundering and terrorism financing) are part of the

Minister of Finance's policy field, and the Financial Supervision Office, Gaming Authority and the Deans of the Netherlands Bar Association fall under the Minister for Legal Protection's policy field.<sup>5</sup> The Minister of J&V<sup>6</sup> is also responsible for the performance of the OM and, together with the Board of Procurators General, sets investigation and prosecution priorities. As a rule, the Minister of J&V is responsible only for the OM's investigation and prosecution policy in general, not for individual criminal cases. The OM itself takes independent decisions to prosecute (known as the principle of opportunity).

The Minister of J&V is also responsible for the organisation, operation and development of the police system and the adoption of national policy objectives for the National Police. She does the latter in consultation with the Board of Procurators General and the committee of regional mayors. The OM independently manages the achievement of the national policy objectives for the investigation and prosecution of criminal offences. The Minister of J&V is tasked with the general management, organisation and control of FIU-NL. FIU-NL analyses the unusual transactions disclosed by private institutions and refers suspicious transactions to the law enforcement agencies and intelligence and security services. Under international and EU rules, FIU-NL is operationally independent and autonomous. In practice, FIU-NL has the authority and capacity to carry out its tasks independently, and takes autonomous decisions to request, analyse and share specific information.

### 3.2 Legal basis to combat money laundering

The measures taken by the Minister of Finance and the Minister of J&V to combat money laundering are laws based on international recommendations made by the Financial Action Task Force on Money Laundering (FATF), of which the Netherlands is a member, and on EU directives issued by the European Commission. In the Netherlands, these recommendations and directives have been transposed into the Money Laundering and Terrorism Financing (Prevention) Act (WWFT), the Criminal Code and other national laws. The WWFT obliges private institutions to disclose unusual transactions (see section 2.4 below) and provides for supervision of their compliance with this obligation. The legal basis for the investigation, prosecution and sanctioning of money laundering as a criminal offence is article 420bis and further of the Criminal Code, which names money laundering as a specific offence. Both the European Commission and the FATF recently assessed whether the Netherlands satisfied their recommendations and directives. The FATF is expected to publish its report in summer 2022 and the European Commission at the end of 2022.

### 3.3 Anti-money laundering policy objectives

The Minister of Finance and the Minister of J&V share responsibility for combating money laundering. In June 2019 they presented a money laundering action plan (Ministry of Finance and Ministry of J&V, 2019), setting out 3 policy objectives:

1. to make it more difficult for criminals to launder money;
2. to remove illegally obtained assets from the financial system;
3. to combat money laundering and subversive crime effectively.<sup>7</sup>

Preventing illicit money flows, including measures to combat money laundering, is a significant factor in the fight against subversive crime. Subversive crime is high on the political agenda and successive governments have released additional funds to combat it.

### 3.4 Disclosure system for unusual transactions

With money laundering being a relatively invisible crime (unlike violent crime), effective investigation, prosecution and sanctioning of the criminals stands or falls on the detection and disclosure of suspicious transactions that are indicative of money laundering. The obligation to disclose unusual financial transactions provided under the WWFT is therefore an important instrument to combat money laundering.

#### *Statutory duty of disclosure*

Under the WWFT, institutions and companies that handle large sums of money are obliged to disclose unusual transactions to FIU-NL. This obligation applies to a wide range of parties, from banks and notaries to shopkeepers and car dealers (see box below).

#### **Duty of disclosure**

Under the WWFT, a wide range of institutions are obliged to disclose unusual transactions. They include banks, currency exchange offices, trust offices, accountants, lawyers, notaries, property valuers, estate agents and casinos.



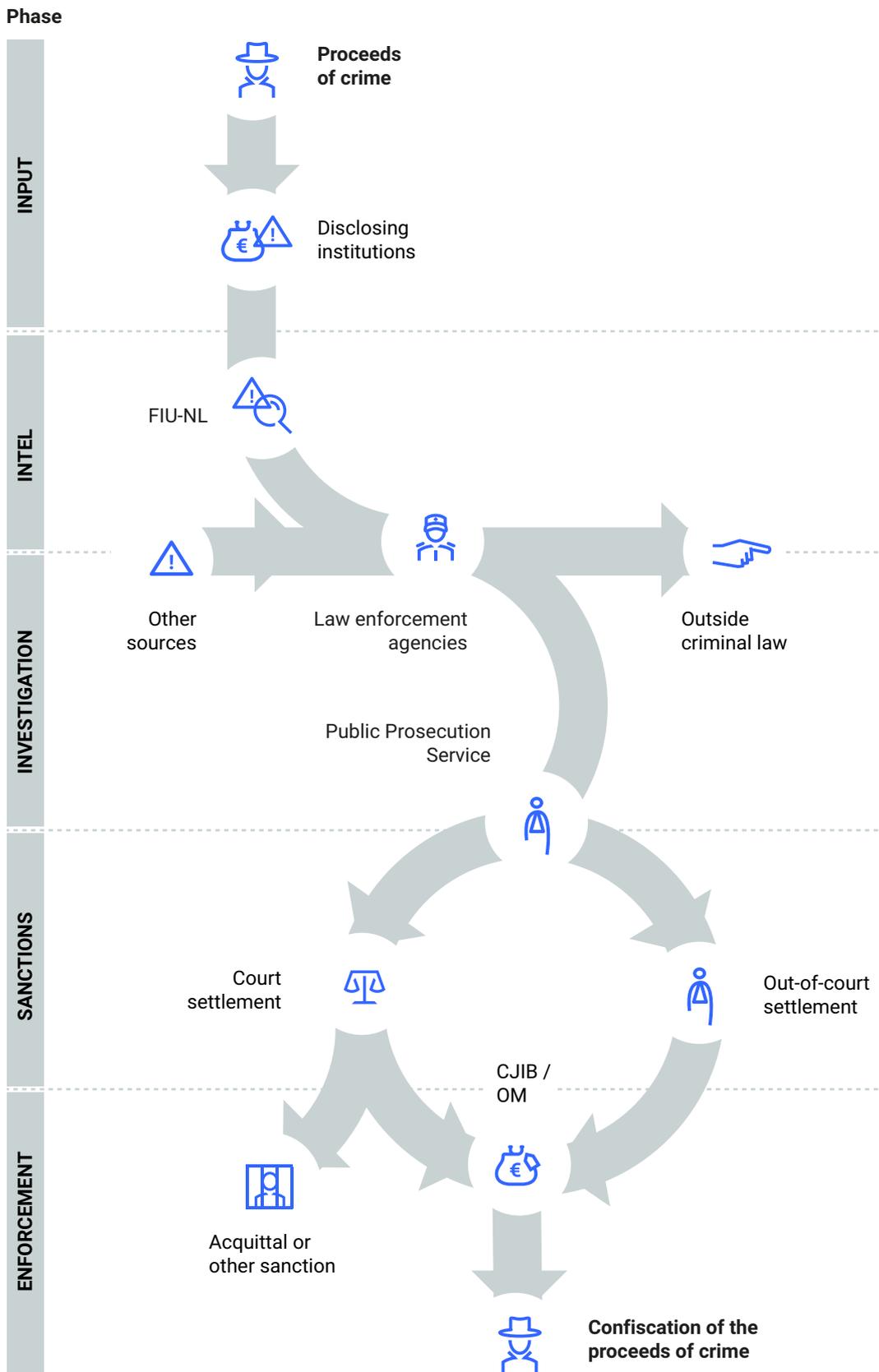
Sellers of high value goods such as motor vehicles, jewellery and art are also obliged to disclose unusual purchases. A purchase is unusual if a cash payment is made of at least €10,000. If there are other reasons to suspect that a transaction is a form of money laundering, the institution concerned must disclose it to FIU-NL as an unusual transaction. Disclosing institutions are also obliged to periodically analyse their internal vulnerability to money laundering and carry out preventive analyses of their customers.

*Five phases in the disclosure system in place for unusual transactions*

A disclosure enters the disclosure system when it is received by FIU-NL. The system consists of the 5 phases shown in figure 1 below.

**Figure 1.** Disclosure system in place for unusual transactions

**Five phases of the disclosure system in place for unusual transactions**



1. *Input phase:* Disclosing institutions are obliged under the WWFT to monitor their clients and report unusual transactions that might be linked to a criminal offence, such as money laundering. If such a transaction is detected, a disclosing institution must report it directly to FIU-NL.
2. *Intelligence phase:* FIU-NL analyses the disclosures of unusual transactions it receives to determine whether the transaction are linked to a criminal offence. If such a link is confirmed, FIU-NL classifies the unusual transaction as suspicious. The case is then picked up by the law enforcement agencies, the intelligence and security services, the Justis screening authority and the participants in the Infobox for Criminal and Unexplained Assets (iCOV).<sup>8</sup> For the purposes of our audit, we concentrated on the National Police and the Fiscal Information and Investigation Service (FIOD). Officers from the various law enforcement agencies use the information on suspicious transactions referred to them to investigate criminal offences, such as drug trafficking or fraud in the care system.<sup>9</sup> They first carry out a preliminary investigation to analyse the information received on a suspicious transaction and information derived from other sources, such as other investigations and public sources. The enforcement officers decide whether a suspicious transaction is linked to a criminal offence, such as money laundering. A transaction can also be relevant to the law enforcement agencies if it furnishes personal information such as an address at a particular time. In consultation with other public bodies it is sometimes decided to settle a case outside criminal law, for instance by having the municipal authorities close down business premises or by having a supervisor take disciplinary action.
3. *Investigation phase:* Enforcement officers can use information on suspicious transactions to initiate a criminal investigation under the authority of the *Public Prosecution Service (OM)*.
4. *Sanctions phase:* On the basis of the criminal investigation, the OM decides whether (a) it will impose a sanction itself in the form of an out-of-court settlement (penalty order or out-of-court transaction), (b) the case should be taken to court (in which case a summons is issued), or (c) the case should be dismissed without prosecution (decision not to prosecute). If a summons is issued, the case is taken to *court*. If the verdict is 'guilty', the judge will usually impose a penalty in the form of a fine, an alternative sanction and/or a custodial sentence. If a suspect has obtained money or goods by means of a proven criminal offence, the OM can also bring a case to have the illicit assets confiscated.<sup>10</sup>
5. *Collection phase:* The Central Judicial Collection Agency (CJIB) collects the amount the court decides should be confiscated or the amount of penalty order or the out-of-court transaction agreed by the OM.

# 4. Improvements in measures to combat money laundering

Our 2008 and 2014 audits found several shortcomings in the ministers' AML measures. This chapter describes the improvements made by the Minister of Finance and the Minister of J&V since our earlier audits.

## 4.1 Our findings in brief

The Minister of Finance and the Minister of J&V have made a series of important and meaningful improvements in their AML measures in recent years. They have increased their insight into the nature, scale and risks of money laundering and, based on this insight, introduced specific policy and monitoring to combat it. They have also set up and organised partnerships and alliances that actively share knowledge and information on money laundering transactions and on AML measures. There has also been an increase in the results that we use in this report as indicators of the measures' effectiveness. Disclosing institutions, for instance, have reported a growing number of unusual transactions and FIU-NL has classified more of them as suspicious. Furthermore, law enforcement agencies have referred a growing number of transactions to the OM and the OM has taken more cases to court. The courts in turn have imposed sanctions in more money laundering cases.

## 4.2 Better use of insight into money laundering risks

Following up on our earlier recommendations, the Minister of Finance and the Minister of J&V had the Research and Documentation Centre (WODC)<sup>11</sup> carry out national risk assessments (NRAs) in 2017 and 2019 to gain an insight into the risks of money laundering. Activity in the disclosure system has since been based on the risks prioritised in the NRAs. FIU-NL, for instance, uses the prioritised money laundering risks to decide which unusual transaction it will investigate. The National Police, the FIOD and the OM also use the prioritised risks to select the cases they will follow up. The widespread use of the NRAs ensures that the parties in the disclosure system focus on the transactions with the highest risks.

To set priorities, the ministers and the parties in the system also make use of academic studies, for instance studies of the facilitators of money laundering (see Duijn et al., 2014). The ministers, law enforcement agencies and OM have concluded from such studies that targeting financial service providers that facilitate money laundering is an effective means to combat criminal networks.

## 4.3 Specific AML policy and monitoring

The ministers applied their improved insight into risks to draw up an anti-money laundering action plan in 2019 (see also section 2.3). The ministers periodically prepare reports to inform parliament of the action plan's progress. Together with the National Police, FIOD and FIU-NL, the OM has applied the improved insight into risks to draw up a strategic AML programme for 2019-2022 (Public Prosecution Service, 2019). The programme aims to strengthen coherence and synergy between the OM, FIOD, National Crime Division of the National Police and FIU-NL. The programme is designed to prevent illicit money entering the legitimate economy or bankrolling further criminal activities.

The Minister of Finance and the Minister of J&V have also commissioned an AML policy monitor to report on the activities and results of AML policy in the Netherlands. The four-year AML policy monitor has been incorporated into their policy cycle. The next AML policy monitor will appear after publication of this report and after the publication of FATF's evaluation of the Netherlands and after other relevant studies and evaluations have been issued. The ministers can thus include the findings of these studies and evaluations in the monitor.

The ministers' introduction of the AML action plan and the four-year AML policy monitor is an important step to improve control and management of AML measures. Nevertheless, the ministers must take further steps to gain an insight into the efficiency and effectiveness of AML policy. For example, they should formulate specific policy objectives and set performance indicators. We consider this further in section 4.2.

#### 4.4 More public, private and public-private cooperation

Public and private parties are increasingly working together in partnerships and alliances to combat money laundering more effectively. The Financial Expertise Centre (FEC) is one example. It consists of several public bodies tasked with strengthening the integrity of the financial sector by means of controls and supervision and the detection and prosecution of criminal offences. The FEC plays a pivotal role in coordinating joint AML measures. Its members share their information and know-how and work together on operational projects. More public alliances, public-private partnerships (such as the Serious Crime Taskforce) and private alliances have been set up since our 2014 audit with a view to sharing know-how and information on money laundering and other criminal activities.

##### Public-private partnership: Serious Crime Taskforce

The *Serious Crime Taskforce* is a public-private partnership made up of the OM, National Police, FIOD, FIU-NL and banks (Rabobank, ABN-AMRO, ING, Volksbank and Knab<sup>12</sup>). Their common objective is to study how financial transactions linked to corruption, extreme violence and money laundering can be detected and investigated faster and better.

Annexe 3 of this report lists the various partnerships and alliances set up to combat money laundering.<sup>13</sup>

#### 4.5 Better AML results

The ministers have not set performance indicators or targets to track whether they are achieving their policy objectives. As in our earlier audits, we therefore use a number of results as indicators of the effectiveness of AML measures. The results we use are the number of unusual transactions, suspicious transactions, investigations, summonses and court judgments. These AML results have increased since our previous audit in 2014. In our opinion, this improvement indicates that both

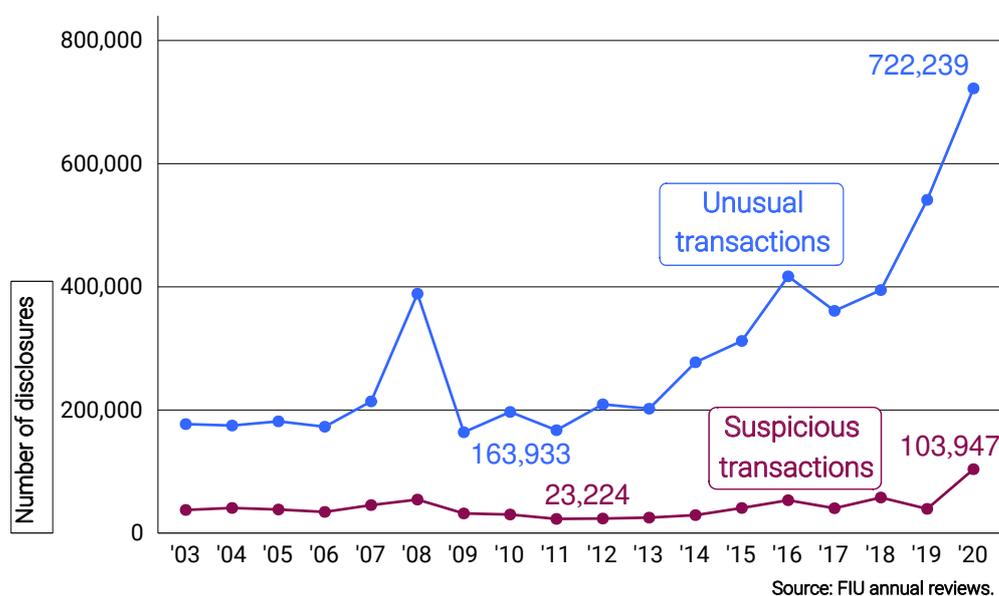
the fight against money laundering and the functioning of the disclosure system have improved. As the ministers have not formulated performance indicators or targets, however, it is difficult to draw conclusions on the efficiency and effectiveness of the AML measures. See also chapter 4 of this report.

#### *Increase in unusual and suspicious transactions*

Figure 2 shows the number of unusual transactions that disclosing institutions reported to FIU-NL in 2003-2020 and the number of transactions that FIU-NL classified as suspicious in the same period.

**Figure 2.** *Number of unusual and suspicious transactions, 2003-2020*

#### **Increase in the number of unusual and suspicious transactions**



It can be seen that the number of disclosures of *unusual* transactions has increased sharply in recent years, from about 200,000 between 2003 and 2006 to 722,239 in 2020.<sup>14</sup> As 610,556 new disclosures were made to FIU-NL in the first half of 2021, the total for 2021 as a whole will most probably be even higher. On the one hand, the increase may indicate that disclosing institutions are better able to identify unusual transactions or are more willing to disclose them. On the other, the increase may simply reflect an increase in illicit money flows and money laundering and that the measures to prevent or combat money laundering are actually ineffective. Alternatively, the increase may indicate that disclosing institutions are more inclined to consider a transaction to be unusual in order to avoid reprimands from a supervisor or the OM for not complying with the duty to disclose unusual transactions.

It can also be seen from the figure that the number of suspicious transactions has increased, with a particularly sharp rise in 2020. In the first half of 2021, 56,197 transactions were classified as suspicious. According to FIU-NL's annual reviews, the increase in 2020 was due to automation of part of the workflow. In consequence, FIU-NL's officers spent less time recording and reporting their results and more time investigating unusual transactions.

The unusual transactions that FIU-NL classifies as suspicious in a particular year are not necessarily disclosed by disclosing institutions in that year. It is therefore not strictly correct to compare the number of unusual transactions with the number of suspicious transactions in a particular year.

We found, however, that over a longer period of time the number of unusual transactions disclosed rose faster than the number of suspicious transactions. Similar to the increase in the number of unusual transactions, it is difficult to explain why this is. More unusual transactions than suspicious transactions could indicate that FIU-NL is unable to investigate the higher inflow of unusual transactions (owing, for instance, to limited capacity). In section 5.2 we look at potentially relevant disclosures of unusual transactions that FIU-NL does not investigate. Another explanation could be that FIU-NL cannot classify unusual transactions as suspicious because the disclosures contain little if any relevant information.

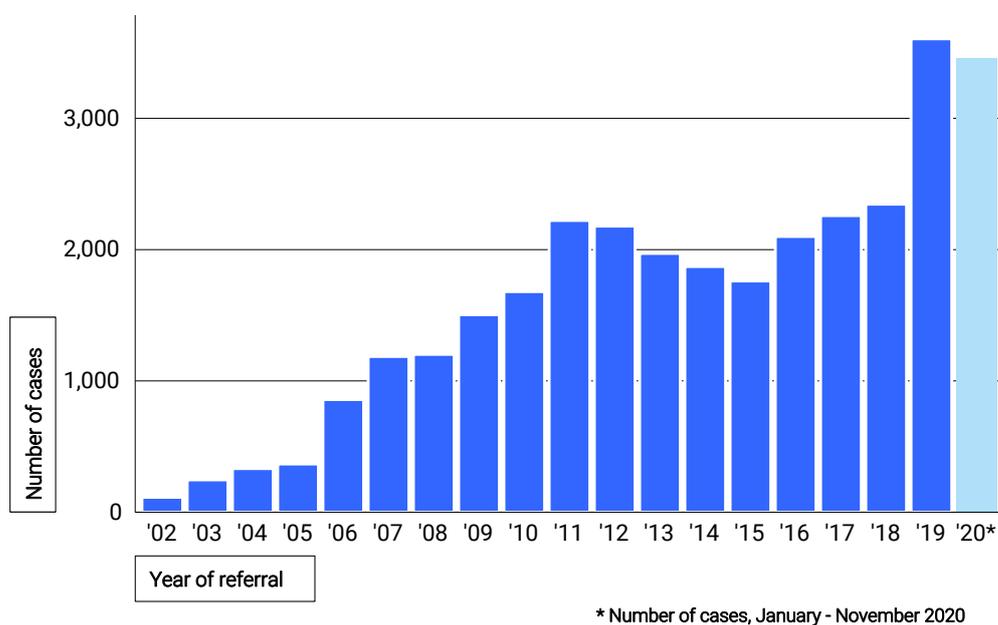
The AML policy monitor the ministers commissioned in 2018 also indicates that it is difficult to explain an increase or decrease in results. An increase in results, such as more disclosures of unusual transactions, is not necessarily indicative of an improvement. As noted above, an increase in the number of disclosures could be due to an increase in money laundering or to the disclosing institutions making more disclosures in order to avoid problems with the supervisor. The Minister of Finance and the Minister of J&V should therefore decide what policy objectives they wish to achieve, formulate performance indicators and targets to measure progress towards them and then gather information to determine whether they have achieved the policy objectives. We consider this further in chapter 4.

#### *More money laundering cases<sup>15</sup> referred to the OM*

If a law enforcement agency's preliminary investigation of money laundering finds sufficient evidence of a criminal offence, the agency submits an official report to the OM. We concluded from the OM's records that the law enforcement agencies had referred more money laundering cases to it since 2015. The increase in the number of money laundering cases between 2002 and November 2020 is shown in figure 3.

**Figure 3. Number of money laundering cases**

**Increase in the number of money laundering cases referred to the OM**



The number of money laundering cases referred to the OM rose between 2002 and November 2020 with the exception of 2011-2015, when the number of cases declined. It cannot be said how much information provided by the law enforcement agencies was used in the OM's investigation or whether the information led to an investigation. Law enforcement agencies keep no records of this. We consider this further in chapter 4.

*More money laundering cases taken to court*

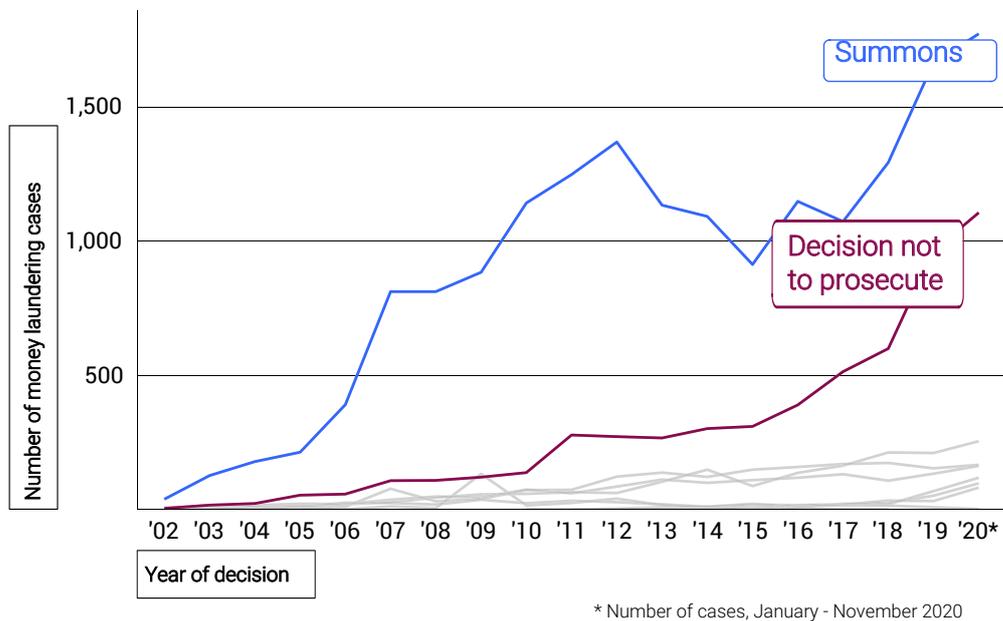
The OM can take several decisions on the money laundering cases referred to it. The two most frequent ones are:

- *to issue a summons*. The OM takes the case to court,
- *to decide not to prosecute on a technicality*. The OM decides not to prosecute on a technicality if, for instance, the evidence is not persuasive.

Figure 4 shows the decisions taken by the OM on the money laundering cases referred to it between 2002 and November 2020.

**Figure 4.** Decisions taken by the OM on money laundering cases

**Sharp increase in both summonses and decisions not to prosecute**

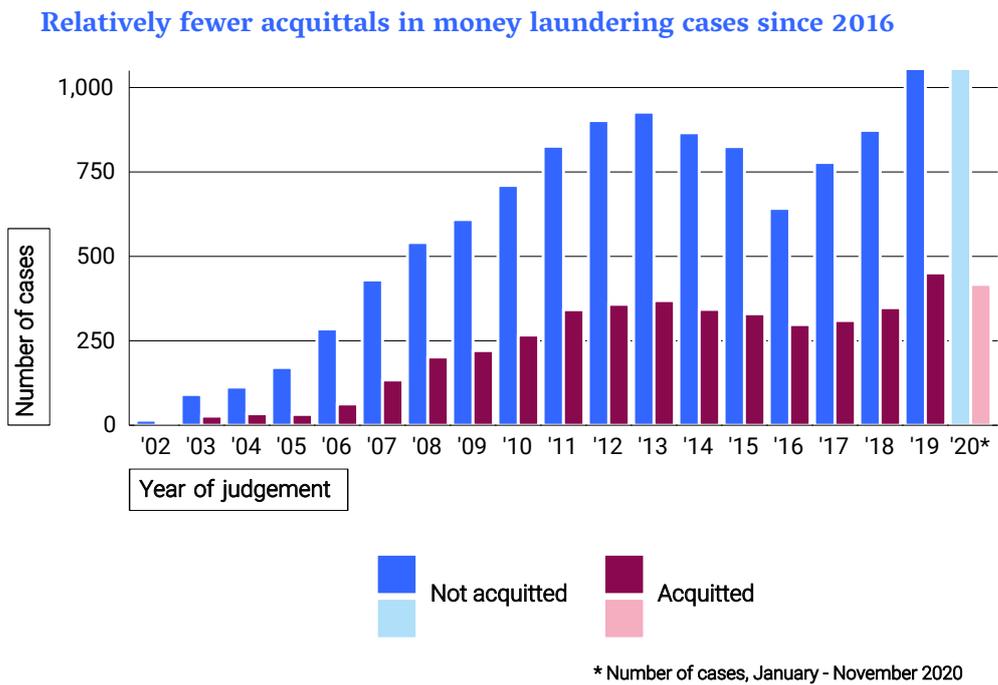


The figure clearly shows that the OM has taken more cases to court since 2002. It also shows that the OM has unconditionally dismissed more cases on a technicality since 2002. In our opinion, this increase is a matter of concern. In many cases, it means that the efforts taken by disclosing institutions, FIU-NL and/or law enforcement agencies to initiate and carry out an investigation do not lead to a summons and thus to a court-imposed sanction. We did not carry out a separate investigation of the OM’s decisions not to prosecute and therefore cannot give reasons for the increase.

*Sanctions imposed in more cases*

Figure 5 shows the court judgments passed between 2002 and November 2020 in cases where money laundering was proven.<sup>16</sup> We have grouped the judgments into ‘acquitted’ and ‘not acquitted’.

**Figure 5. Money laundering judgements**



If we look at the past 5 years, there has been an increase in the number of money laundering cases sanctioned by the courts since 2016.

# 5. Insight into anti-money laundering results

In the previous chapter we discussed the important and meaningful steps the Minister of Finance and the Minister of J&V had taken since 2014 and concluded that the improvements together with the higher priority and public money given to combat money laundering had been matched by an increase in AML results. But are the results consistent with the ministers' ambitions and are they commensurate with the regular and additional funds the ministers have provided to combat money laundering? We answer these questions in this chapter.

## 5.1 Our findings in brief

We cannot determine whether the increased AML results are consistent with the ministers' ambitions because the ministers have not formulated specific and measurable AML policy objectives. Nor can we determine whether the results are commensurate with the higher budgets provided by the ministers. Without specific and measurable policy objectives and related performance indicators and targets, the ministers cannot determine what information they need in order to know whether they are on the right course or whether AML policy should be adapted. It is still not known, for instance, what use public parties, especially law enforcement agencies, make of the information provided to them on unusual transactions. If it were known, the private institutions could learn from it and improve their detection of money laundering and other forms of crime.

The ministers do not have sufficient information to give parliament a full account of the results achieved with the public funds provided, despite the commitments they gave following our earlier audits.

## 5.2 Poor insight into progress towards policy objectives

In our 2008 and 2014 audits we asked the Minister of Finance and the Minister of J&V<sup>17</sup> to formulate realistic AML policy objectives and provide an appropriate budget to meet them. We also asked the ministers to collect data to determine whether or not they were achieving their policy objectives so that changes could be made where necessary. The importance of knowing how the law enforcement agencies deal with suspicious transactions should not be underestimated. It is a means to (a) account fully to parliament, (b) provide feedback to disclosing institutions, and (c) learn lessons to make better use of disclosures and combat money laundering more effectively in the future.

### *No link between measurable policy objectives and measures taken*

In their 2019 AML action plan, the ministers formulated a series of policy objectives and actions (see section 2.3). However, the 3 policy objectives were described in general terms, not specifically or measurably. Furthermore, the ministers did not set performance indicators or targets for the policy objectives. They therefore did not link the AML actions they proposed to the achievement of policy objectives. During and after implementation, the ministers accordingly cannot determine whether they are achieving the policy objectives or whether the AML actions need to be adapted in order to improve their efficiency and effectiveness.

In chapter 3 we noted that measurable policy objectives were necessary in order to develop indicators that shed light on the achievement of AML goals. The box below gives an example of the added value of measurable policy objectives and related measures to detect and investigate financial service providers that facilitate money laundering.

**Example: clear policy objectives and actions help ministers improve efficiency and effectiveness of investigating money laundering facilitators.**

The ministers work with law enforcement agencies and the OM to prioritise action against financial service providers that facilitate money laundering, and provide public funds to do so. They should logically also reach agreement with them on their shared ambitions. The ministers could agree, for instance, to monitor progress towards the policy objectives by means of the number of criminal investigations of facilitators (performance indicator) with the goal of increasing the number of such investigations (target). They could then check whether the number of investigations of facilitators was increasing and, if not, determine why not and take remedial action. The ministers could include this information in their AML progress reports to parliament.

*No link between budget, policy objectives and actions*

In 2021 the Minister of Finance and the Minister of J&V had still not allocated a definite budget for the policy objectives and actions to combat money laundering, as we had recommended in 2008 and 2014. The ministers stated in their AML action plan that they would provide additional funds to investigate and prosecute money laundering, but they did not say how the additional funds should be spent or what they had to deliver.

Moreover, as in our two earlier audits, in 2021 we again found that accounting records of AML funding were still neither reliable nor complete. This is because a significant proportion of the AML funding is provided from the general budget that the Minister of Finance and the Minister of J&V allocate to supervisors, law enforcement agencies and the OM. Supervisors, law enforcement agencies and the OM also perform other public tasks apart from combating money laundering. They do not keep separate accounts of budgeted and actual AML expenditure and are not required to account to the ministers for the use of the money provided to combat money laundering or the relationship between funding and results. FIU-NL, which receives, analyses and passes on transaction information, is not required to do so either. The transaction information it passes on, moreover, can also relate to other forms of crime.

It is difficult to obtain information on how much of the additional public funding is actually spent on combating money laundering. This is because the additional funds to strengthen AML policy chiefly<sup>18</sup> form part of the additional funding provided for the wider policy to combat subversive crime. In 2016, for instance, the

House of Representatives and the government made a one-off allocation of €100 million to an anti-subversion fund in order to finance operational plans. As from 2022, the House and government will provide an additional €434 million per annum to combat subversive crime by means of prevention, policy resilience, stronger anti-subversion policies, further organisation of the Multidisciplinary Intervention Team and the detection of illicit money flows.<sup>19</sup> The fourth Rutte government also intends to strengthen the approach to subversive crime and the laundering of criminal assets. It intends to provide an additional €40 million as from 2023, rising to €100 million per annum as from 2025 (Coalition Agreement, 2021).

As the funds applied to combat money laundering cannot be accounted for separately, the Minister of Finance and the Minister of J&V do not know whether the additional public money is being spent efficiently.

### 5.3 Still no systematic insight into the use of transaction information

As the Minister of Finance and the Minister of J&V have not formulated specific and concrete goals, they cannot say what performance indicators and targets they will use or what information they need to determine whether they are on the right course or whether changes should be made. We concluded from our first audit on combating money laundering (Netherlands Court of Audit, 2008) that the feedback provided to disclosing institutions, such as banks, jewellery dealers and notaries, on the use and added value of information on unusual transactions was inadequate. Disclosing institutions were therefore denied the opportunity of learning from practice and so improving their detection of money laundering. We had recommended at the time that insight into the outcome of disclosures should be increased by recording how transaction information was used in an investigation and providing the information to both FIU-NL and (anonymised) to the disclosing institutions. The ministers committed to act on this recommendation and improve feedback about the use of transaction information.

In our 2014 AML audit (Netherlands Court of Audit, 2014) we concluded that the ministers had not improved the feedback to disclosing institutions about how law enforcement agencies dealt with suspicious transactions. We therefore again recommended that the ministers provide more information about how disclosures of unusual transactions were dealt with.

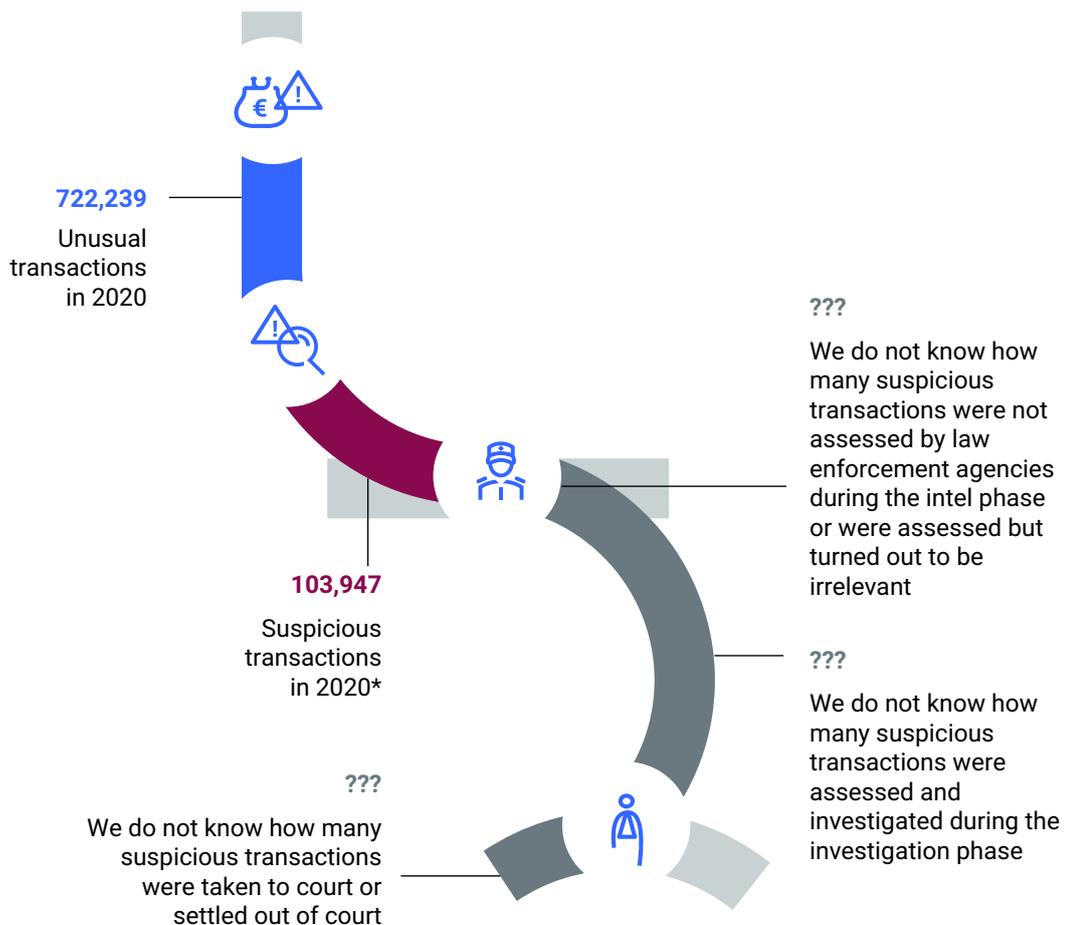
In response to our 2008 and 2014 audits, the ministers committed to improving

insight into and information about the use of disclosures of unusual and suspicious transactions.

Some 8 years since our previous audit and 14 years since our initial audit, the ministers still have no systematic insight into how information on suspicious transactions is used in administrative law, tax law and disciplinary law cases or in strategic analysis products. They do not know how transaction information is used in criminal cases either. Law enforcement agencies still do not keep records of whether they actually assess the suspicious transactions referred to them by FIU-NL – and if they do assess them, what they do with them and what the results are; see figure 6. Records are not kept for either relevant or irrelevant suspicious transactions.

**Figure 6.** Availability of data in the disclosure system

**No figures on the use of information on suspicious transactions**



\* The unusual transactions that FIU-NL classifies as suspicious in a particular year are not necessarily the unusual transactions disclosed in that year. The disclosures can also relate to prior year transactions.

Feedback on the use of transaction information teaches the law enforcement agencies important practical lessons and so improves the private institutions' detection of money laundering and other forms of crime. FIU-NL can learn, for instance, which unusual transactions it should prioritise. Law enforcement agencies can learn which suspicious transactions they should select in view of their added value. And disclosing institutions can learn how they can improve their disclosure of unusual transactions to FIU-NL.

Feedback on the use of transaction information can also help determine whether efficient and effective use is made of disclosures to combat money laundering. In the next chapter (chapter 5) we look at the functioning of the disclosure system in place for unusual transactions.

Various parties took initiatives in 2021 to improve the insight into how information on suspicious transactions was used. The National Public Prosecutor's Office for Serious Fraud, Economic Crime and Asset Confiscation, for instance, looked at disclosures made by the FIOD during a 3-month period. In 11 of the 19 disclosures. It found that law enforcement agencies had used information on suspicious transactions. Although it looked at only a short time period, this initiative is a step in the right direction to provide feedback on the effectiveness of information on suspicious transactions. In addition, participants in several public-private partnerships, such as the Serious Crime Taskforce and the Fintell Alliance, are improving coordination of the supply and demand of information on unusual and suspicious transactions. These partnerships, however, are not systematically providing feedback to disclosing institutions about the use of information. Not all disclosing institutions are taking part in the partnerships. Moreover, the partnerships are looking at only a limited number of money laundering risks.

## 5.4 No comprehensive picture of AML results

The outcome of the above is that the ministers do not have a useful or meaningful insight into the AML policy objectives, effectiveness and resources or into the results of their efforts. The AML policy monitor that the ministers periodically have compiled (the aim is once every 4 years) does not provide such an insight either. The monitor's authors have to overcome the absence of policy objectives, lack of information on results and on the relationship between results and goals (targets) and the relationship with the funding. As a result, the ministers cannot provide parliament with sufficient information on the goals, effectiveness, funding and

results of AML policy. With such information they could decide whether they were on the right course or whether they should take another direction.

Parliament can form a general impression of AML policy and its results from the budgets and annual reports of the Minister of Finance and the Minister of J&V, the progress reports on the AML action plan, and documents prepared by FIU-NL, the law enforcement agencies, the OM and the Council for the Judiciary. The ministers, however, have not introduced any coherence in these documents. It is therefore difficult for parliament to form a good impression, scrutinise AML policy and exercise its right to approve the budget.

The AML action plan and progress reports are a good opportunity for the ministers to give parliament a more complete account of the progress made combating money laundering. They could be designed to present the goals, effectiveness, funds and results of AML policy in a coherent manner. The ministers could then see and recognise when the policy was not having the desired results and initiate a timely debate with parliament on whether and where policy improvements were necessary.

# 6.

## Functioning of the disclosure system

In chapter 4 we considered the lack of insight into the efficiency and effectiveness of AML policy. In this chapter we turn to the functioning of the disclosure system in place for unusual transactions and the lack of guarantees to optimise efficiency and effectiveness.

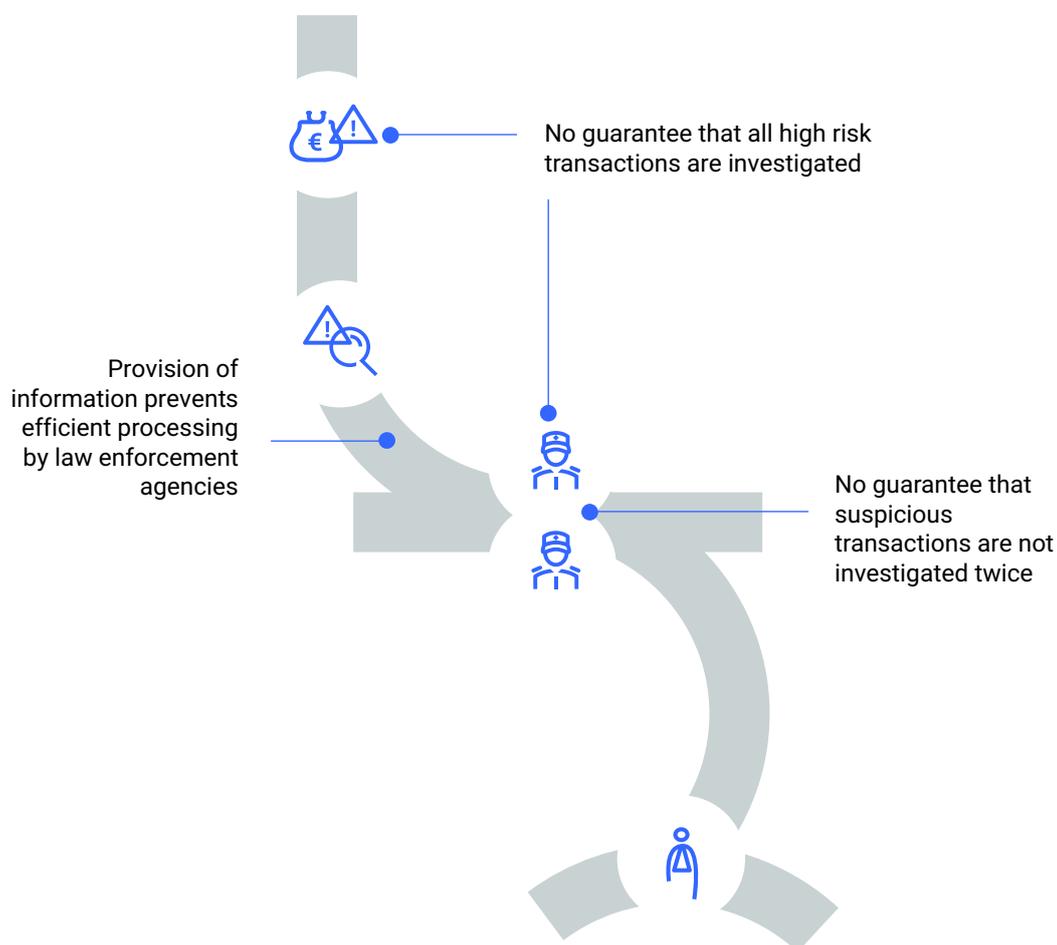
### 6.1 Our findings in brief

The Minister of Finance and the Minister of J&V cannot guarantee that disclosures of unusual transactions will be dealt with efficiently. This is because of the way in which the system is designed. FIU-NL is unable to investigate unusual transactions with the highest risk. There is also no guarantee that law enforcement agencies will investigate suspicious transactions with the highest risk and follow them up where necessary (for instance as part of a criminal investigation). There are also no guarantees that law enforcement agencies and the teams within them do not unintentionally and simultaneously carry out preliminary investigations of the same transactions. If several experts independently investigate the same transaction and unnecessarily duplicate each other's work, suboptimal use is made of scarce financial expertise. As records are not kept of how suspicious transactions are dealt with, we cannot determine how often such situations arise.

Moreover, filtering out the most relevant suspicious transactions in the information that FIU-NL provides to the law enforcement agencies is very time consuming. This also weakens the efficient processing of disclosures. The missing guarantees are shown in figure 7.

**Figure 7.** *Missing guarantees for the efficient operation of the disclosure system.*

### **Inadequate guarantees on the efficient processing of disclosures of unusual transactions**



## **6.2 No guarantee that high risk transactions are investigated**

In chapter 3 we showed that FIU-NL was dealing with more disclosures of unusual transactions and classifying more of them as suspicious and referring them to law enforcement agencies. Owing to this increase in both unusual and suspicious transactions, it is important that FIU-NL carries out risk analyses to select unusual and suspicious transactions with the highest risk profile.

### *FIU-NL classifies transactions as suspicious*

FIU-NL receives many disclosures from disclosing institutions every year. In 2020 it received 722,239 disclosures of unusual transactions. It classified some of them as suspicious based on a semi-automated process of matching the transaction information with information from ongoing law enforcement investigations and

information from other sources. If a person involved in an unusual transaction is also a suspect in an investigation, FIU-NL carries out a manual check to classify the transaction as suspicious.

FIU-NL applies most of its capacity to investigate unusual transactions where there is no match with information from ongoing investigations. These FIU-NL investigations can reveal people or businesses that are not known to the law enforcement agencies. They are therefore very valuable. To select unusual transactions for its own investigations, FIU-NL picks transactions based on the themes prioritised in the NRA. An automated query search produces a list of unusual transactions that might be relevant to its investigation of an NRA theme. FIU-NL's investigators then make a manual selection from the transactions produced by the query search based on their own expertise and experience.

FIU-NL does not have the necessary capacity to investigate all unusual transactions produced by the query search. Some disclosures are therefore not investigated even though, in our opinion, their risk profile warrants their investigation.

*Law enforcement agencies assess and select transactions for further investigation*

FIU-NL refers many suspicious transactions to the law enforcement agencies every year: in 2020 it referred 103,947 suspicious transactions. It provides information on suspicious transactions simultaneously to the various special and regular law enforcement agencies. FIU-NL is not involved in the assessment and selection of suspicious transactions for further investigation. That is a task of the law enforcement agencies and the OM. There are several reasons why it is not realistic for the law enforcement agencies to assess all suspicious transactions and follow them up where necessary. For instance, they might not have the capacity to assess them all and they also have to use the limited capacity they do have on other cases. In view of the increase in suspicious transactions, we think it is particularly important that the law enforcement agencies carry out thorough risk analyses to select, assess and investigate transactions with the highest risk. If a preliminary investigation confirms the suspicions of money laundering or another form of crime, the law enforcement agencies and the OM together decide on the most appropriate and effective follow-up. The follow-up could be taken by a municipality (closure of business premises) or a supervisor (disciplinary proceedings against a financial service provider).

Law enforcement agencies and their teams select suspicious transactions in a variety of ways for further criminal investigation or for use in another investigation.

Some units of the National Police, for instance, select transactions that exceed a threshold value and/or select transactions in their own regions by means of a dashboard developed in-house. In 2021, the FIOD carried out several projects to increase the efficiency and effectiveness of the selection of suspicious transactions for further criminal investigation. The Anti-Money Laundering Centre (AMLC) has started to develop reports on suspicious transactions in order to facilitate the selection process.

These are positive steps, but the separate development and application of selection methods calls the efficiency of selection at the level of the disclosure system into question. Furthermore, owing to their varied working methods, law enforcement agencies cannot guarantee that the suspicious transactions with the highest risk will be assessed and investigated further. No agreements have been made regarding the provision of sufficient capacity to assess and investigate transactions with the highest risk.

#### *Outcomes of the case study*

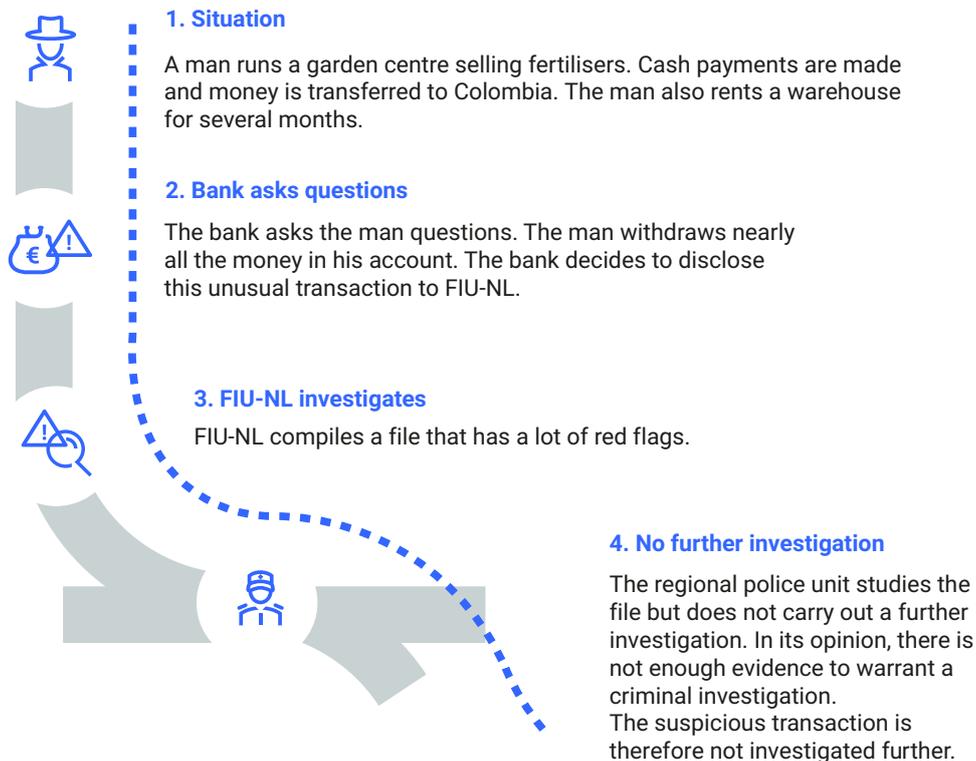
Our case study also found that law enforcement agencies did not always select suspicious transactions with the highest risk. We studied 16 files on suspicious transactions to determine whether they were assessed and investigated by the law enforcement agencies. A file is a collection of suspicious transactions that are related to each other because, for instance, the same person is involved. We selected files with suspicious transactions on the basis of their financial and social importance; we thought law enforcement agencies would in any event select and assess those files. The transactions we studied were worth between €50,000 and €850,000. We also looked at transactions that had negative consequences for people, such as the exploitation of employees or public deception. More information on our case study is provided in annexe 2.

Below we discuss 2 of the 16 files with transactions that FIU-NL had classified as suspicious following its own investigation. One of the cases is illustrated in figure 8. Neither of the 2 files was subject to a preliminary investigation by the National Police or the FIOD. In these 2 cases FIU-NL went to great lengths to carry out its own investigation. As noted above, FIU-NL's investigations are valuable because they can reveal new potential suspects that are not known to the law enforcement agencies. To increase the likelihood that the law enforcement agencies select a suspicious transaction for further investigation, FIU-NL always seeks a law enforcement officer at an agency that can deal with the transaction. Wherever possible a file is transferred to a law enforcement officer while it is still hot. In these

2 cases, hot transfer did not guarantee that the law enforcement officer would also deal with the transaction.

**Figure 8.** *Handling of a case in our case study*

**Case 1: Relevant suspicious transaction not investigated further**

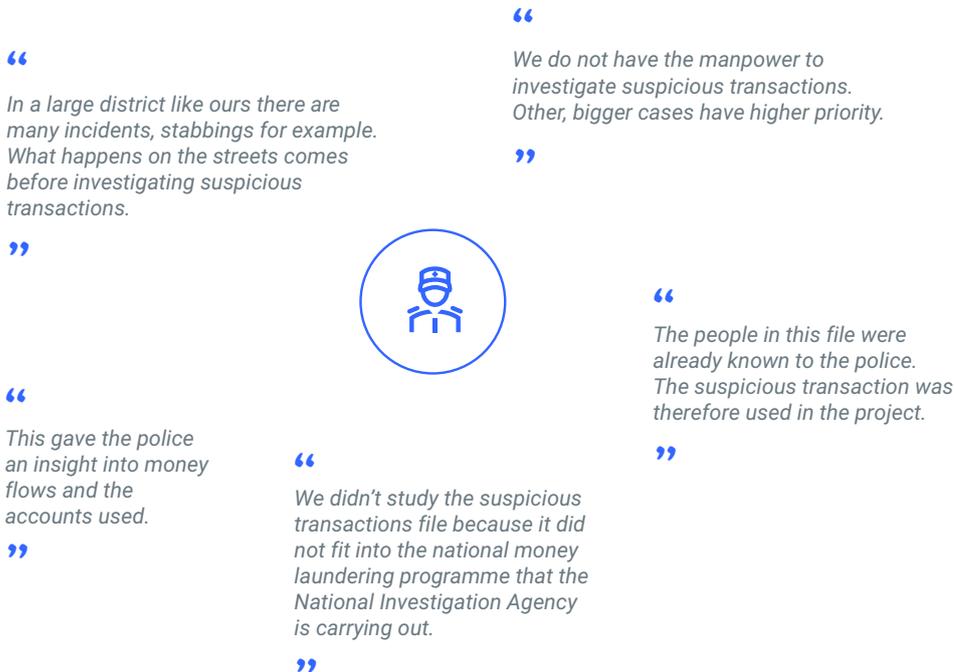


Law enforcement agencies and the units or teams within them exercise their professional judgment to decide whether or not suspicious transactions are investigated and how they will be dealt with. The decisions are based in part on the capacity available within a unit or team and on the priorities set by the law enforcement agency concerned.

Figure 9 presents some of the opinions of law enforcement officers of the National Police that we heard during our case study. Their opinions illustrate the law enforcement officers' differing concerns when assessing and dealing with suspicious transactions.

**Figure 9. Opinions of law enforcement officers when considering a suspicious transaction**

**Police officers have their own reasons to investigate suspicious transactions or not**



### 6.3 No guarantee that investigations are not duplicated

Law enforcement agencies that unintentionally but simultaneously assess and investigate the same suspicious transactions make suboptimal use of their scarce capacity and financial expertise.

FIU-NL simultaneously refers suspicious transaction to all special and general law enforcement agencies. However, there are no fixed agreements among or within the agencies on who should study, assess and investigate which transactions. Law enforcement agencies and their units and teams decide that for themselves, independently of each other. To initiate a criminal investigation, it is not enough for law enforcement officers to consider a suspicious transaction to be relevant. The transaction must first be investigated further, for instance by obtaining information from other sources. During this further investigation phase, the law enforcement agencies do not record the fact that they are working on a case. Other law enforcement officers are therefore unaware of their work. They do not become aware that natural or legal persons involved in a suspicious transaction are under

investigation until the investigation is formally announced, with the OM's approval, and registered. They do not know that suspicious transactions that turned out to be irrelevant have already been studied or what the outcome was.

As a result, several law enforcement officers can study and investigate the same suspicious transactions simultaneously and independently of each other. This is wasteful of scarce capacity and financial expertise and therefore at the expense of efficiency in the disclosure system. It is not known exactly how often this occurs because it is not recorded by the law enforcement agencies. The FIOD, the National Unit of the National Police, the National Office for Serious Fraud, Economic Crime and Asset Confiscation and the National Public Prosecutors' Office periodically consult each other to discuss money laundering reports (including reports of suspicious transactions) and the follow-up on them. The consultations sometimes reveal that suspicious transactions have been selected and analysed by more than one team or that there is a risk of duplication without the teams being aware of each other. As not all law enforcement agencies or relevant units and teams take part in the consultations, the extent of unintentional duplication cannot be estimated accurately.

In our case study, too, we were unable to determine whether and by whom a suspicious transaction had been assessed and investigated. This was particularly problematic at the National Police. We were repeatedly referred to other teams, none of which was able to say whether or not a suspicious transaction had been studied, assessed and followed up.

## 6.4 Referral of suspicious transactions impedes functioning

In 2020 FIU-NL classified 103,947 transactions as suspicious and referred them to the law enforcement agencies. The agencies then had to filter out and assess the high value transactions. This is not a simple task; the law enforcement officers have to overcome the following obstacles:

- the number of suspicious transactions referred to them is extremely high;
- the information provided by FIU-NL is incomplete;
- it is difficult to determine whether the information provided by FIU-NL overlaps information a law enforcement agency has already requested from another source;
- for technical reasons, FIU-NL does not automatically provide relevant additional information.

### *Extremely high number of suspicious transactions*

As the law enforcement agencies have not made agreements on who should assess which suspicious transactions, law enforcement officers in each agency, team and unit have to filter out the most relevant transactions from the extremely high number referred to them. This is a very time consuming and labour intensive task.

### *Incomplete information*

The information FIU-NL provides on suspicious transactions is incomplete. The law enforcement agencies are not informed why FIU-NL declares a transaction to be suspicious. It cannot provide this information as it is classified as secret. Not knowing why a transaction is suspicious makes it harder for the agencies to select cases for further investigation. They cannot decide to focus on transactions that FIU-NL has declared to be suspicious following its own investigations, even though those transactions are relevant because they contain information on natural or legal persons that is not known to the agencies. FIU-NL invests a lot of capacity in its investigations on account of the added value they can generate. In 2020, 54,884 of the 103,947 suspicious transactions were the outcome of FIU-NL's own investigations of new potential suspects. In the bulk of the cases referred to them, the law enforcement agencies cannot see which cases involve new potential suspects and which do not. The AMLC, a money laundering knowledge and expertise centre, FIOD and other parties are studying options to improve information on suspicious transactions. One would be to explain which transactions involve new potential suspects.

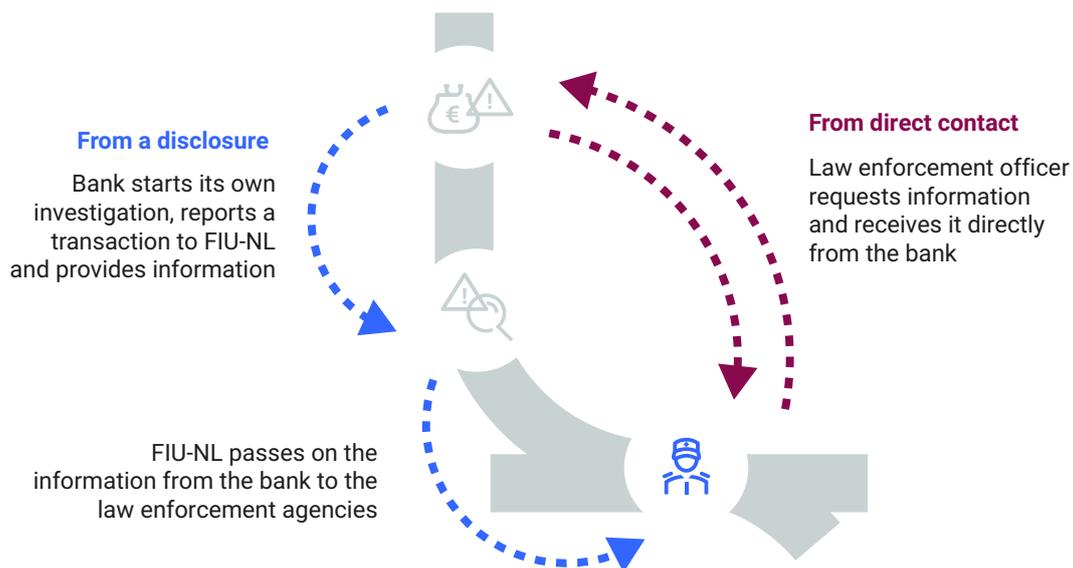
### *Uncertain overlap between information provided and information already known*

It is difficult for law enforcement officers to tell whether information provided by FIU-NL is already known to the agency, for example because it has already been requested directly from a disclosing institution. If the information is already known, time spent by the officers studying and assessing the suspicious transaction is in effect wasted.

Figure 10 shows a case from our study in which law enforcement agencies received the same information from different sources.

**Figure 10.** How law enforcement agencies can receive transaction information.

**Law enforcement agencies can receive transaction information twice**



*Additional information not automatically provided by FIU-NL*

FIU-NL sometimes has additional information on suspicious transactions that can be relevant to a law enforcement agency's assessment and follow-up (for instance, information on the presence of unexplained assets). For technical reasons, however, FIU-NL cannot automatically provide this information. Law enforcement officers must request it separately from FIU-NL. This requires additional work by both parties. In 2021, FIU-NL studied ways to provide annexes directly.

# 7.

# Conclusions and recommendations

The Minister of Finance and the Minister of J&V have taken a number of important and meaningful steps to combat money laundering (see chapter 3) since our earlier audits in 2008 and 2014. But, as in 2008 and 2014, we still cannot tell whether the ministers' AML measures are efficient and effective (see chapter 4). We further found that they cannot provide adequate guarantees on the efficiency and effectiveness of the disclosure system in place for unusual and suspicious transactions (see chapter 5).

## 7.1 Improvements made to combat money laundering

We conclude that the Minister of Finance and the Minister of J&V have made meaningful improvements to combat money laundering in recent years. They have increased their insight into the nature, scale and risks of money laundering and introduced AML policy and monitoring based on this increased insight. They have organised and set up partnerships and alliances to share knowledge and information on money laundering and AML measures. Furthermore, they have given higher priority and provided additional funds to combat money laundering as part of the policy to tackle organised and subversive crime.

The improvements, higher priority and additional public funding have led to an increase in several measurable results that we use in this report as indicators of the effectiveness of the fight against money laundering. In our opinion, the increase in results suggests that the AML measures and the functioning of the disclosure system in place for unusual transactions have improved. More unusual transactions

have been reported by disclosing institutions such as banks, accountants and notaries in recent years. FIU-NL, which receives and analyses these disclosures, has also classified more of the transactions as suspicious. The law enforcement agencies have referred more money laundering cases to the Public Prosecution Service (OM) and the OM has taken more cases to court. The courts have in turn imposed sanctions in more money laundering cases.

## 7.2 No guarantees for the efficiency and effectiveness of the disclosure system

No guarantees for the efficiency and effectiveness of the disclosure system

At the same time, we conclude that the ministers cannot guarantee that the disclosure system in place for unusual transactions works efficiently and effectively. The ministers have not yet put the right conditions in place to deal with disclosures made by private institutions efficiently. There is no guarantee, for instance, that FIU-NL investigates unusual transactions with the highest risk or that the law enforcement agencies select, assess and where appropriate follow up (under the direction of the OM) suspicious transactions with the highest risks. Owing to the lack of guarantees it is inevitable that more than one law enforcement agency and its teams unintentionally investigate the same suspicious transactions at the same time. As it is not clear how suspicious transactions are dealt with, we cannot establish how often work is duplicated. There are also shortcomings in the way in which FIU-NL provides information on suspicious transactions to the law enforcement agencies. These shortcomings increase the risk that suboptimal use is made of scarce financial expertise because it is difficult and time-consuming for law enforcement officers to filter out the most relevant suspicious transactions from the information provided.

In our opinion, money laundering can be combatted more effectively and more justice can still be done to the disclosures made by private parties such as banks, currency exchange offices, accountants and notaries.

Both the AMLC and the FIOD have improved their information sharing and risk analysis since our earlier audits. The AMLC is uncovering transactions with new potential suspects and developing dashboards to help law enforcement agencies select the most relevant suspicious transactions. The FIOD is also working on ways to select and allocate suspicious transactions more efficiently and effectively. The various law enforcement agencies, however, are not taking these initiatives jointly or in a coordinated manner.

*Recommendation: put conditions in place to guarantee efficiency*

We recommend that the Minister of Finance and the Minister of J&V take further steps to improve the selection of suspicious transactions and put the right conditions in place to optimise the efficiency and effectiveness of the disclosure system. The ministers can do this in collaboration with FIU-NL, the law enforcement agencies, the OM and the AMLC by:

- improving FIU-NL's provision of information on suspicious transactions so that the law enforcement agencies can identify, assess and follow up relevant information more quickly and easily;
- guaranteeing that transactions with the highest risk are investigated and followed up where necessary, that data are collected on the transactions and that optimal use is made of scarce financial expertise. The ministers can build on the initiatives taken in 2021 by the FIOD, the National Office for Serious Fraud, Economic Crime and Asset Confiscation and the AMLC, such as the development of monthly reports and identification of suspicious transactions that include new potential suspects for the law enforcement agencies.

### 7.3 Poor insight into the efficiency of AML measures

We further conclude, following our 2008 and 2014 audits, that the Minister of Finance and the Minister of J&V still have a poor insight into the efficiency and effectiveness of their AML measures. This is because the ministers have not stated precisely what they want the AML measures and their public funding to achieve. As a result, we cannot tell whether the results are achieving the ministers' ambitions or whether they are commensurate with the available budget. Owing to the absence of specific policy objectives and performance indicators, moreover, the ministers cannot say what information they need to determine whether they are on the right course or whether changes need to be made. For example, it is not known whether and how the government uses the information on suspicious transactions provided by private institutions. Despite their commitment to act on the recommendations we made following our 2008 and 2014 audits, the ministers have still not systematically improved their insight into how information on suspicious transactions is used.

Useful information on how disclosures of unusual and suspicious transactions are dealt with would improve the efficient and effective functioning of the disclosure system. Private institutions could learn from practice and improve their disclosure of unusual transactions if they knew which disclosures had been useful in an

investigation. This information could also improve the FIU-NL and law enforcement agencies' analysis and investigations and the exchange of information.

Owing to the absence of specific policy objectives and related indicators, in combination with lack of information on the use of the available budget and outcomes, the Minister of Finance and the Minister of J&V still cannot give parliament a full account of the efficiency and effectiveness of their AML measures. The information provided to parliament in budgets, annual reports, progress reports on the AML action plan and the AML policy monitor, moreover, is inconsistent. As parliament does not receive a full account of the AML measures and their results, it has difficulty scrutinising the policy and exercising its right to approve the budget.

*Recommendation: improve insight into efficiency*

We recommend that the Minister of Finance and the Minister of J&V improve their insight into and accountability for the efficiency and effectiveness of AML policy and the role of the disclosure system in place for unusual transactions. They can do so in collaboration with FIU-NL, the law enforcement agencies and OM by:

- formulating exactly what they want to achieve and when the AML measures and the disclosure system will be efficient and effective. They can do this by establishing a clear link between their ambitions (measurable policy objectives with related performance indicators and targets), what they are going to do to achieve the objectives and the budget they need to achieve them;
- deciding what information they need to determine whether they are achieving their ambitions with the available budget and collecting that information as from 2023.

It is now 14 years since the ministers first gave commitments to collect and analyse information on how unusual transactions are dealt with. As noted above, some steps have been taken during those years but more are still needed. In our opinion, the disclosure system is now ripe for further steps.

Improving useful insight into and accountability for the efficiency and effectiveness of AML policy is particularly important now. In its coalition agreement, the fourth Rutte government provides additional budget funds and intends to strengthen measures to combat the laundering of criminal assets.

# 8. Response of the ministers and the Court of Audit's afterword

## 8.1 Response of the Minister of Finance and the Minister of Justice and Security

The Minister of Finance and the Minister of Justice and Security (J&V) responded jointly to our draft report on 20 April 2022. They write that their response was prepared in close consultation with FIU-NL, police, FIOD, OM and Council for the Judiciary. We summarise their response below. The full response has been published (in Dutch) on [www.rekenkamer.nl](http://www.rekenkamer.nl). We close this chapter with our afterword.

The ministers thank the Court of Audit for its third audit on combating money laundering in the Netherlands. In their opinion, the report presents valuable recommendations that they believe endorse and support the course already being taken to combat money laundering. The ministers consider the Court's three conclusions and associated recommendations and close with a summary.

### *Conclusion I: measures to combat money laundering have been improved*

The ministers agree with the Court's conclusion that there have been important and meaningful improvements to combat money laundering in recent years. They note that a continuous money laundering policy cycle was introduced in response to the Court's previous two audits, and refer to the action plan presented in June 2019 with its three inseparable and interrelated goals and 49 concrete measures.

The ministers also refer to improvements in the performance of anti-money laundering measures and in the cooperation among public bodies and between public bodies and private parties. They also state that the public bodies' capacity has been increased and resources provided for technical advances to access relevant information that is already available more quickly.

*Conclusion 2: more conditions needed for an efficient and effective disclosure system*

The ministers conclude from a recent analysis by the Anti-Money Laundering Centre and from a sample taken by the OM that disclosures of suspicious transactions play a significant part in the investigation and prosecution of suspected crime, including money laundering. They will study improvements to FIU-NL's provision of information to law enforcement agencies so that the agencies can identify relevant information faster and more easily. The ministers write that they are studying how the most relevant suspicious transactions can be selected even more accurately and, where necessary, followed up by the law enforcement agencies under the authority of the OM. The ministers are building here on ongoing initiatives. They are also studying how the provision of information on suspicious transactions to law enforcement agencies can be better coordinated.

The ministers write that they are seeking to extend the feedback loop between public bodies and private institutions and refer to the valuable steps that have already been taken in this direction.

The ministers then make a number of comments on the report. They state that the Court has not investigated the private institutions' compliance with the obligation to disclose unusual transactions that may involve money laundering or developments in this area. They also note that the report does not mention other important activities performed by private institutions under the WWFT or by the parties that supervise private institutions' compliance with the WWFT. The ministers think the performance of private institutions and supervisors is an important factor to assess the effectiveness of anti-money laundering measures. They also write that the Court does not touch upon the considerations made under the OM's authority in money laundering investigations and prosecutions.

*Conclusion 3: more insight needed into efficiency and effectiveness of anti-money laundering measures*

The ministers write that the integrated money laundering action plan already sets out their ambitions in an insightful manner and that the plan's progress is monitored. Where necessary, the money laundering action plan is revised in

response to, for instance, new insights into risks. Additional actions are formulated as concretely as possible, according to the ministers. The ministers also write that a strong link has been established with the policy to combat organised and subversive crime, especially illicit money flows. Measures in this area strengthen measures to combat money laundering and vice versa.

The ministers state that the public bodies' approach to combating money laundering is risk based and give a number of examples that, they say, show that the measures mitigate the greatest money laundering risks.

Furthermore, the ministers state that efficient and effective use of the resources provided takes account, on the basis of measurable indicators, of statistical and thematic trends and developments. According to the ministers, the Court of Audit incorrectly assumes that the ministries do not use such indicators in their integrated approach to money laundering. In close consultation with the parties concerned, the ministers continuously check whether available resources make a fitting contribution to the performance of their tasks. Those tasks, the ministers write, comprise more than just combating money laundering.

*In sum*

The ministers are grateful to the Court of Audit for its identification of ways to strengthen the public side of the disclosure system. They agree with the Court that there is scope for improvement there. In close consultation with the parties concerned, the ministers will consider how the improvement steps identified in the draft report can be put into practice. To do so more widely, they are studying ways to extend the feedback loop to the private parties. The ministers say they will continue to consider new insights and the findings of new studies, such as the FATF's current evaluation, in relation to existing measures and measurable indicators, as this also informs decisions on whether and where public bodies need additional resources. The ministers' common starting point is that public and private parties have together identified the main money laundering risks to the Netherlands and measures are being taken to mitigate them in a coordinated and cooperative manner.

## 8.2 Court of Audit's afterword

The ministers' response is extensive but raises eyebrows. The ministers consider in detail matters that are not appropriate to our work, such as developments in the private sector. Moreover, they paraphrase the conclusions and recommendations rather than quote them literally, which detracts from the audit findings.

Furthermore, we had expected a more concrete response from the ministers, as they had made firm commitments following our previous audits on combating money laundering in 2008 and 2014. The present audit found that those commitments have not been met. The ministers do not agree with our conclusion that their insight into the efficiency and effectiveness of policy implementation is inadequate. They state that they have such insight and apply it in their policy. However, we cannot see it in the information they submit to parliament or the underlying documents we examined.

It is now up to parliament to consider how it should assess the progress made in the past 15 years.

# Appendices

## Appendix 1 Audit questions and standards

### *Audit objective and key questions*

Our audit asked whether the government could respond appropriately to reports by the gatekeepers in the disclosure system in place for unusual financial transactions. The key question at the centre of our audit was: to what extent are the public bodies in the disclosure system able to deal efficiently with unusual and suspicious financial transactions and so help prevent and combat the laundering of criminal assets?

### *Audit questions*

The audit addressed the following questions:

1. How is the disclosure system organised?
2. Is the disclosure system more efficient than we had found in 2008 and 2014?
3. How were disclosures of unusual and suspicious transactions in the selected cases dealt with in practice?

### *Standards applied*

- The public bodies in the disclosure system have made clear agreements on their tasks, responsibilities and powers to deal with and select unusual and suspicious transactions.
- The ministers concerned and the parties in the disclosure system have formulated measurable goals.
- There is in any event an insight into the following performance indicator: number

of unusual transactions.

- There is in any event an insight into the following performance indicator: number of suspicious transactions,
- There is in any event an insight into the following performance indicator: number of money laundering judgments.
- There is in any event an insight into the following performance indicator: financial and human resources.
- The relationship between available resources and performance indicators has improved over time or has at least not deteriorated.
- To prevent the undesirable exit of unusual transactions from the system, FIU-NL prioritises the investigation of unusual transactions with new subjects based on automated risk assessment.
- To prevent the undesirable exit of unusual transactions from the system, prioritised unusual transactions with new subjects are investigated within a reasonable period of time, in any event within the 5-year term in which unusual transactions may be kept.
- Suspicious transactions are not unintentionally investigated by 2 different law enforcement agencies (or units) at the same time.
- To prevent the undesirable exit of suspicious transactions from the system, law enforcement agencies prioritise suspicious transactions with new subjects based on an automated risk estimate.
- To prevent the undesirable exit of suspicious transactions from the system, it is clear which law enforcement agency (or which unit within an agency) is responsible for investigating a suspicious transaction.
- To prevent the undesirable exit of suspicious transactions from the system, prioritised suspicious transactions with new subjects are investigated within a reasonable period of time, in any event within the 10-year term in which suspicious transactions may be kept.
- Law enforcement agencies are able to explain how a suspicious transaction is dealt with and why it was or was not investigated, for instance by means of an assessment framework.
- Where permitted by law and regulation, the previous party in the disclosure system is informed of how a disclosure was dealt with.

For this audit, we assessed whether each audit question met our standards and then expressed an opinion. The audit therefore meets the definition of an audit within the meaning of international standards for supreme audit institutions. The audit was carried out in accordance with internationally recognised professional opinions and standards (the INTOSAI Framework of Professional Pronouncements, IFPP). The IFPP promotes, among other things, independence, transparency and integrity (see <https://www.issai.org>).

## Appendix 2 Audit method

For the purposes of this audit, we gathered information to answer each audit question and gain an insight into the extent to which each standard was met. We made use of various audit methods. We held interviews, analysed documents, collected and analysed quantitative data and carried out a case study.

### *Case study*

The final outcome of the disclosure of a suspicious transaction cannot automatically be determined from the information currently available in the AML system. We tried to reconstruct the process in this audit. Given the enormous number of suspicious transactions disclosed each year (about 100,000 in 2020) and the amount of work necessary to follow a case, the case study did not seek to be representative.

We followed 16 files of suspicious transactions from initial disclosure to final outcome. We selected the files on the following criteria:

1. The insight the file could provide into the disclosure system:
  - a. files with all important disclosure reasons;
  - b. files that FIU-NL considered to be representative.
2. Financial and social importance of the file:
  - a. files with a disclosure suggestive of a strong suspicion of money laundering;
  - b. files involving at least €50,000 in suspicious transactions.

We used the cases to gain more insight into the functioning of the disclosure system and to provide examples for this report.

### *Data analysis: key figures from FIU-NL*

On the basis of FIU-NL's annual reviews, we compiled a dataset with key figures on FIU-NL's performance between 2002 and November 2022. The key figures related to human and financial resources, outputs (e.g. the number of disclosures of unusual and suspicious transactions per annum) and the reasons to report a disclosure (i.e. the basis on which an unusual transaction is classified as a suspicious transaction). FIU-NL's annual reviews are available to the public on FIU-NL's website. We asked FIU-NL to check our database and supplement it with missing data where necessary and available.

*Data analysis: key figures from the OM and Council for the Judiciary*

We also used a dataset on all cases referred to the OM since 2002 involving at least one or more money laundering offences. The dataset was based on records kept by the OM and the Council for the Judiciary. For each case, we looked at information on the case itself (including the charged and proven article of law), the type of settlement by the OM (e.g. summons, penalty or decision not to prosecute) and, where appropriate, court sanction (e.g. conditional or unconditional custodial sentence, community service order or training order). In total, the dataset contained 31,261 cases with 75,228 offences (of which 33,372 were money laundering offences). Unless stated otherwise, the results in this report are based on the number of money laundering offences per case. For example, the number of cases in which a summons was issued relates to the number of cases in which a summons related to a money laundering offence. Money laundering offences are present in some cases in which a summons is not issued.

# Appendix 3 Partnerships and alliances

## Partnerships and alliances

Initiative:	Partners:								
	Transaction Monitoring Netherlands	Fintell Alliance	Serious Crime Task-force	Financial Expertise Centre	Financial Crime Analysis	Infobox for Criminal and Unexplained Assets	Anti-Money Laundering Centre	Multidisciplinary intervention team	Regional information and expertise centres
De Nederlandsche Bank			●			●	●		
Authority for the Financial Markets			●			●	●		
Authority for Consumers and Markets						●			
Banks	●	●	●				●		
Financial Intelligence Unit		●	●	●		●	●		
National Police			●	●	●	●	●	●	●
Tax and Customs Administration				●		●	●	●	●
Fiscal Information and Investigation Service			●	●	●	●	●	●	●
Anti-Money Laundering Centre					●				
Public Prosecution Service			●	●		●	●	●	●
Royal Military and Border Police							●	●	●
Customs						●	●	●	●
Defence								●	
Miscellaneous							●		●

## Appendix 4 Response to our conclusions and recommendations

Court of Audit's conclusions	Court of Audit's recommendations	Response of the Minister of Finance and the Minister of J&V
<p>The Minister of Finance and the Minister of J&amp;V have made important improvements to combat money laundering in recent years.</p>		<p>The ministers agree with the Court's conclusion that there have been important and meaningful improvements to combat money laundering in recent years.</p>
<p>The Minister of Finance and the Minister of J&amp;V cannot guarantee that the disclosure system in place for unusual transactions works efficiently and effectively..</p>	<p>We recommend that the Minister of Finance and the Minister of J&amp;V take further steps to improve the selection of suspicious transactions and put the right conditions in place to optimise the efficiency and effectiveness of the disclosure system. The ministers can do this in collaboration with FIU-NL, law enforcement agencies, the OM and the AMLC by:</p> <ul style="list-style-type: none"> <li>• improving FIU-NL's provision of information so that the law enforcement agencies can identify, assess and follow up relevant information more quickly and easily;</li> <li>• guaranteeing that the transactions with the highest risk are investigated and followed up where necessary, that data on the transactions are collected and that optimal use is made of scarce financial expertise. The ministers can build on the initiatives taken in 2021 by the FIOD, National Office for Serious Fraud, Economic Crime and Asset Confiscation and the AMLC, such as the development of monthly reports and the law enforcement agencies' selection of suspicious transactions that reveal new potential suspects.</li> </ul>	<p>The ministers will study improvements to FIU-NL's provision of information to law enforcement agencies so that the agencies can identify relevant information faster and more easily. The ministers will study how the most relevant suspicious transactions can be selected even more accurately and, where necessary, followed up by the law enforcement agencies under the authority of the OM. The ministers are building here on ongoing initiatives. They are also studying how the provision of information on suspicious transactions to law enforcement agencies can be better coordinated.</p> <p>The ministers write that they are seeking to extend the feedback loop between public bodies and private institutions and refer to the valuable steps that have already been taken in this direction.</p> <p>The ministers make a number of qualifications and mention matters that the Court of Audit did not investigate in the prevention of money laundering.</p>

Court of Audit's conclusions	Court of Audit's recommendations	Response of the Minister of Finance and the Minister of J&V
<p>Despite our 2008 and 2014 audits, the Minister of Finance and the Minister of J&amp;V still have a poor insight into the efficiency and effectiveness of their AML measures.</p>	<p>We recommend that the Minister of Finance and the Minister of J&amp;V improve their insight into and accountability for the efficiency and effectiveness of AML measures and the role of the disclosure system in place for unusual transactions. They can do so in collaboration with FIU-NL, law enforcement agencies and the OM by:</p> <ul style="list-style-type: none"> <li>• formulating exactly what they want to achieve and when the AML measures and the disclosure system will be efficient and effective. They can do this by establishing a clear link between their ambitions (measurable policy objectives with related performance indicators and targets), what they are going to do to achieve the policy objectives and the budget they need to achieve them;</li> <li>• deciding what information is needed to determine whether they are achieving their ambitions with the available budget and collecting that information as from 2023.</li> </ul> <p>It is now 14 years since the ministers first gave commitments to collect and analyse information on how suspicious transactions are dealt with. As noted, some steps have been taken during those years but more are still needed. In our opinion, the disclosure system is ripe for further steps. Improving insight into and accountability for the efficiency and effectiveness of AML measures is particularly important now. The coalition agreement of the fourth Rutte government provides additional budget to strengthen measures to combat the laundering of criminal assets.</p>	<p>The ministers write that the integrated money laundering action plan already sets out their ambitions in an insightful manner and that the plan's progress is monitored. Where necessary, the money laundering action plan is revised in response to, for instance, new insights into risks. Additional actions are formulated as concretely as possible. The ministers also write that a strong link has been established with the policy to combat organised and subversive crime, especially illicit money flows. Measures in this area strengthen measures to combat money laundering and vice versa.</p> <p>The ministers state that public bodies take a risk-based approach to combating money laundering and give a number of examples that, they say, show that the measures mitigate the greatest money laundering risks. Furthermore, the ministers state that efficient and effective use of the resources provided takes account, on the basis of measurable indicators, of statistical and thematic trends and developments. According to the ministers, the Court of Audit incorrectly assumes that the ministries do not use such indicators in their integrated approach money laundering. In close consultation with the parties concerned, the ministers continuously check whether available resources make a suitable contribution to the performance of their tasks.</p>

## Appendix 5 Literature

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Netherlands Court of Audit (2022a), *Zorgfrauderapport (Care Fraud Report)* PM

Netherlands Court of Audit (2022b), *Strafrechtelijk afpakken (Confiscation of the Proceeds of Crime)* PM

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Netherlands Court of Audit (2014), *Bestrijden witwassen: stand van zaken 2013 (Combating Money Laundering: Status in 2013)*.

Public Prosecution Service (2019), *Strategisch programma witwasbestrijding: De nationaal strafrechtelijke aanpak van witwassen voor de periode 2019 – 2022 (Strategic Programme to Combat Money Laundering: The national criminal law approach to money laundering for the period 2019-2022)*.

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Unger, B. (2018) *Aard en omvang van criminele bestedingen (Nature and Scale of Criminal Expenditure)*, WODC.

## Appendix 6 Endnotes

1. Following the ministerial clearance phase, this passage was revised to avoid suggesting that organisations other than the FIU receive disclosures of unusual transactions from private institutions.
2. Derived from <https://www.amlc.nl/witwassen>
3. Following the ministerial clearance phase, we specifically state in chapters 1 and 3 and annexe 3 that we collected data from the OM and the Council for the Judiciary until November 2020.
4. Following the ministerial clearance phase, we added this responsibility of the Minister of Finance.
5. Following the ministerial clearance phase, the Gaming Authority and the Deans of the Netherlands Bar Association were added to the Minister for Legal Protection's policy field.
6. Until the installation of the third Rutte government, this ministry was known as the Ministry of Security and Justice. For the sake of convenience we use the title of the current minister throughout this report for the entire audit period. The following passages on the Minister of J&V and the Minister for Legal Protection are taken from: Draft budget J&V 2021: Adoption of the budget statements of the Ministry of Justice and Security (VI) for the year 2021 EXPLANATORY MEMORANDUM. Received 15 September 2020, House of Representatives, session 2020-2021, 35 570 VI, no. 2, and an audit published by the Court of Audit on the role and responsibility of the Minister of J&V, including the J&V accountability audit 2017. Tweede eindnoot vi. Beide eindnoten verwijzen naar hetzelfde stukje tekst.
7. Following the ministerial clearance phase, this formulation was brought into line with the formulation in the money laundering action plan (Ministry of Finance and Ministry of J&V, 2019).
8. The Justis screening authority sometimes plays a role in this phase if the reliability of persons and organisations need to be assessed. iCOV stands for Infobox for Criminal and Unexplained Assets and is an alliance that helps law enforcement agencies investigate unexplained assets.
9. The Justis screening authority sometimes also plays a role in this phase if the reliability of persons needs to be assessed.
10. See also our report *Strafrechtelijk afpakken (Confiscation of the Proceeds of Crime)* (Netherlands Court of Audit, 2022b).
11. WODC: Research and Documentation Centre, part of the Ministry of J&V.
12. Following the ministerial clearance phase, Volksbank and Knab were added and SNS bank was removed.

13. This statement is based on information posted on the websites of the partnerships and alliances concerned.
14. To compare the number of disclosures over the years, we report only disclosures of unusual transactions that were not based on statutory indicator objective 02 (the list of high risk countries designated by the European Commission) that was introduced at the end of 2018. Disclosures based on objective criteria prompted a sharp increase in the number of disclosures in 2019 (1,921,737 additional disclosures). The indicator was changed (from an objective approach to a subjective approach) in October 2019. As a result the increase did not recur.
15. Opsporingsdiensten kunnen per zaak verscheidene feiten aanleveren bij het OM. Zo kunnen witwassen en diefstal of bedrog als twee afzonderlijke feiten in een zaak gelden. Wij beschouwen een zaak als 'witwaszaak' als ten minste één van de aangedragen feiten witwassen betreft.
16. The way in which we count money laundering judgments in this audit differs from the way in which the Council for the Judiciary counts them in the key figures it publishes. In our audit, we count acquittals for the offence or offence(s) relating to money laundering; the Council for the Judiciary counts acquittals and reports at case level. Acquittals can be brought for money laundering offences in a case but other offences in the same case can be sanctioned. The number of money laundering acquittals that we report is therefore higher than the number reported by the Council for the Judiciary.
17. At the time of our 2014 audit, this was the Minister of Security and Justice.
18. Following the ministerial clearance phase, we added the word 'chiefly' because the government also provided additional funds to combat money laundering that is not part of the wider funding to combat subversive crime.
19. The amounts of additional public funding provided by the Minister of Finance and the Minister of J&V to combat subversive organised crime, including money laundering, were derived from various budgets, Spring Memoranda, additional budgets, annual reports and letters from the ministers. These sources are included in annexe 5, Literature.

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