FINANCIAL INVESTIGATIONS DIVISION

FINANCIAL INTELLIGENCE UNIT

Sector Review
Securities Dealer

FID-TR-2026-01

TABLE OF CONTENTS

OVERVIEW 2

METHODOLOGY 2

REPORT STATISTICS 3

Nature of Transactions Reported 3

ANALYSIS OF SUSPICIOUS REPORTS 5

Primary Indicators Selected 5
Analysis of Reports Reasons for Suspicion 6
Use of Financial Intelligence 7

CONCLUSION 8

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OVERVIEW

Following the completion and publication of Jamaica's Third National Risk Assessment (NRA3), which identified the securities sector as presenting a heightened threat-risk profile, the Financial Services Commission (FSC) has instituted a semi-annual risk-understanding exercise through the conduct of a dedicated threat assessment of the securities sector. The assessment is intended to strengthen the FSC's understanding of the current risk environment by identifying prevailing, evolving and emerging threat vectors relevant to the sector, and assessing the manner in which such threats may exploit existing or developing vulnerabilities within securities dealers and other relevant market intermediaries.

Given the Financial Intelligence Branch's (FIB) access to financial intelligence derived from suspicious transaction reporting, the FIB undertook a targeted review and analysis of these reports from the Securities sector. These reports contain information on predicate offence linkages, associated transaction values, and intelligence disseminated to investigative and other law enforcement authorities. This analysis is intended to provide a financial intelligence and threat perspective that contributes to the FSC's broader sectoral risk-understanding and threat assessment process.

Accordingly, this sector review covers the six-month period from January to June 2026 and seeks to provide an intelligence-led overview of:

i) **Current threats** affecting the securities sector during the assessment period;
ii) **Evolving and emerging threats** that may be relevant to securities-sector activities and market intermediaries;
iii) **Suspicious activity typologies** identified from reports submitted by securities-sector reporting entities during the assessment period;
iv) **The nature and characteristics of transactions reported** by the sector during the assessment period, including the associated transaction values, with all monetary amounts presented in Jamaican dollars (J$), unless otherwise indicated; and
v) **Intelligence dissemination activity**, including the number of cases disseminated and the estimated value associated with cases involving securities-sector activity.

METHODOLOGY

To ascertain the information required, the goAML database was interrogated and all reports submitted by the reporting entities of the sector were analysed and categorized based on the reporting indicator(s) selected.

The details of the reasons where then assessed and the transactional and/ or activities described were summarized into trends or typologies.

The information was generated by applying the following search criteria:

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Table 1: goAML Search Criteria

Period	Report Type	Agency Type
January – June 2026	• Suspicious Transaction Report (STR) • Suspicious Activity Report (SAR) • Authorized Disclosure (Request for Consent) (ADR)	Securities Dealer

REPORT STATISTICS

For the period, January to June 2026, twenty-two (22) reports were received from the financial institutions. The reports included: STRs, SARs and ADRs and Suspicious Activity Reports (SARs); with a STR and SAR subsequently leading to two (2) Authorized Disclosure (Request for Consent) Reports (ADRs). See details below:

Table 2: Report Submission Statistics

Reporting Month	SAR	STR	ADR	Grand Total
Jan 2026	1			1
Feb 2026		4	1	5
Mar 2026	1			1
Apr 2026	8			8
May 2026		2		2
Jun 2026	3	1	1	5
Grand Total	**13**	**7**	**2**	**22**

Eight (8) of the thirty-eight (38) licensed Securities Dealers contributed to the statistics for the period January to June 2026, with the STR submissions consisting of forty (40) transactions with a total monetary value of approximately J$27.3M.

Nature of Transactions Reported

The transactions disclosed in the reports were conducted during the years of 2024 to 2026 and involved the following transaction types:

- Cash Deposit to Investment Account
- Investment Account to Savings Account
- Wire Transfer to Investment Account

Cash Deposit transactions accounted for 42% (J$11.6M), Electronic transactions accounted for 35% (J$9.5M) and Wire Transfer transactions accounted for 23% (J$6.3M) of the total monetary value of J$27.3M. See summary in the table and chart below;

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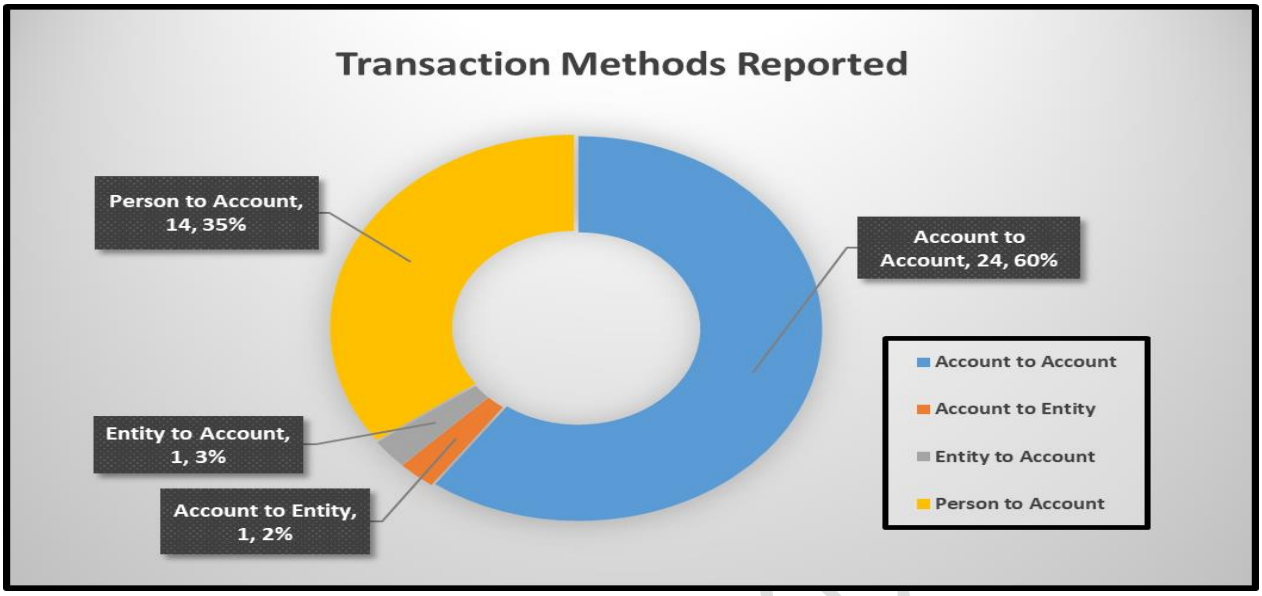
Table 3: Monetary Value of STRs Submitted

Tran. Type	Trans. Period	2024		2025		2026		Total Tran. Count	Total Tran. Amount J$
		Tran. Count	Tran. Amount J$	Tran. Count	Tran. Amount J$	Tran. Count	Tran. Amount J$		
Deposit	Jan	0	0.00	2	1,000,000.00	2	3,649,250.00	4	4,649,250.00
	Feb	1	700,000.00	0	0.00	0	0.00	1	700,000.00
	Apr	3	1,646,000.00	3	2,070,000.00	0	0.00	6	3,716,000.00
	Nov	4	2,500,000.00	0	0.00	0	0.00	4	2,500,000.00
Deposit Total		**8**	**4,846,000.00**	**5**	**3,070,000.00**	**2**	**3,649,250.00**	**15**	**11,565,250.00**
Electronic Transaction	Jan	0	0.00	0	0.00	2	7,000,500.00	2	7,000,500.00
	Apr	0	0.00	0	0.00	9	2,500,000.00	9	2,500,000.00
Electronic Transaction Total		**0**	**0.00**	**0**	**0.00**	**11**	**9,500,500.00**	**11**	**9,500,500.00**
Wire Transfer	Jan	0	0.00	2	1,995,500.00	2	847,000.00	4	2,842,500.00
	Feb	0	0.00	0	0.00	1	306,000.00	1	306,000.00
	Mar	0	0.00	1	91,800.00	2	599,820.00	3	691,620.00
	Apr	0	0.00	1	67,760.00	3	1,027,425.00	4	1,095,185.00
	Jun	0	0.00	1	468,000.00	0	0.00	1	468,000.00
	Jul	0	0.00	1	860,750.00	0	0.00	1	860,750.00
Wire Transfer Total		**0**	**0.00**	**6**	**3,483,810.00**	**8**	**2,780,245.00**	**14**	**6,264,055.00**
Grand Total		**8**	**4,846,000.00**	**11**	**6,553,810.00**	**21**	**15,929,995.00**	**40**	**27,329,805.00**

It should be noted that SARs (13) and ADRs (2) are classified as activity-based reports and does not involve a dollar value, hence the table above only represents the dollar value of STRs (7) reported.

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Chart 1: Transaction Methods Reported



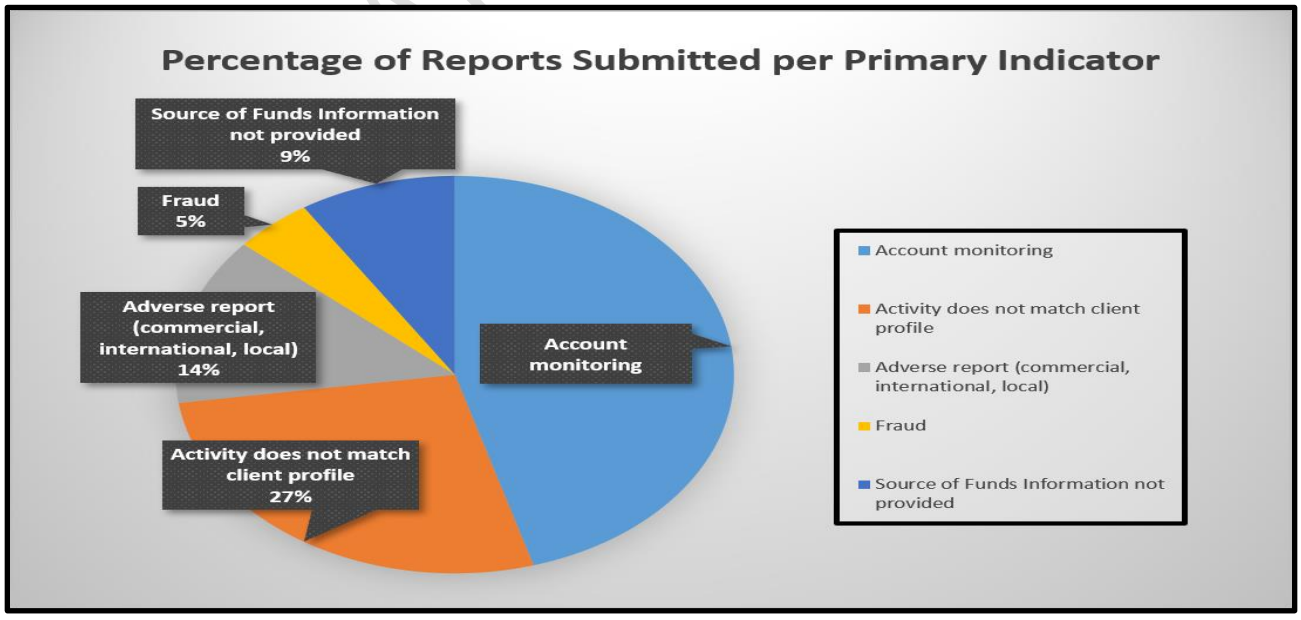
ANALYSIS OF SUSPICIOUS REPORTS

Primary Indicators Selected

The primary indicators selected by the reporting entities were **Account Monitoring, Activity does not match client profile, Adverse Report, Fraud** and **Source of Funds Information not provided**.

See below the percentage of reports that were submitted for the indicators specified by the reporting sector for the period under review:

Chart 2: Transaction Methods Reported



The total monetary value of each indicator selected, and the number of transactions involved for the STRs are detailed below:

Table 4: Monetary Value of STRs per Indicator Selected

Main Indicators	Report Count	Tran. Count	Tran. Amount J$
Activity does not match client profile	5	29	$17,829,305.00
Fraud	1	9	$2,500,000.00
Source of Funds Information not provided	1	2	$7,000,500.00
Grand Total	**7**	**40**	**$27,329,805.00**

Analysis of Reports Reasons for Suspicion

Further analysis of the reasons for suspicion provided by the entities, the FIU extracted the following details:

Table 5: Typology/ Trend Reported in the Reason of the STR

Main Indicators	Summary of activities highlighted in the reason by Reporting Entities	Report Count	Tran. Count	Total Tran. Amount J$
Activity does not match client profile	Deposit activities within a short period not consistent with client's profile	1	7	4,470,000.00
	Large cash deposit from a third party with no clear established relation with the contracting client and lack of supporting documents	1	1	3,149,250.00
	Pass through pattern with large cash investments with the source being through complex structures.	1	1	500,000.00
	Pass through pattern with rapid currency liquidation with source from unrelated third-party wire transfers (claim from trading activities on the client's behalf)	1	14	6,264,055.00
	Structured deposit with accumulated value within short period not consistent with client profile	1	6	3,446,000.00
	Association with main individual of adverse findings; source of accumulated funds unknown & attempt to conceal true ownership	1	0	0.00
Activity does not match client profile Total		**6**	**29**	**17,829,305.00**

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Sector Review for the Securities Dealer Sector (January – June 2026)

Main Indicators	Summary of activities highlighted in the reason by Reporting Entities	Report Count	Tran. Count	Total Tran. Amount J$
Source of Funds Information not provided	Rapid movement of funds & transfer to an entity involved in construction & residential development indicating financial assistance to a friend associated with the company.	1	2	7,000,500.00
	Cash deposit and large transfer transactions with client being dismissive with regards to source of funds	1	0	0.00
Source of Funds Information not provided Total		**2**	**2**	**7,000,500.00**
Fraud	Unauthorized access & subsequent transfer of funds (via Phishing Link)	1	9	2,500,000.00
Fraud Total		**1**	**9**	**2,500,000.00**
Account monitoring	Breach of policy prohibiting acceptance of cash deposits - preferred method through the banking channel	9	0	0.00
	Pass through pattern with large cash investments with the source being through complex structures *(inclusive of international business income, use of an international money transfer platforms and use of GoFundMe campaign through social media)*.	1	0	0.00
Account monitoring Total		**10**	**0**	**0.00**
Adverse report (commercial, international, local)	Adverse media report and declaration of client relation	1	0	0.00
	Adverse media report re failing to file statutory declaration as a civil servant	1	0	0.00
	Adverse media; large investment with source of accumulated funds unknown	1	0	0.00
Adverse report (commercial, international, local) Total		**3**	**0**	**0.00**
Grand Total		**22**	**40**	**27,329,805.00**

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Use of Financial Intelligence

The reports submitted during the period under review, two (2) intelligence products were developed, resulting from two (2) requests for consent involving two (2) individuals. Both consent requests were granted, to pay out funds valued at J$500,000 and accept deposit of US$3,600. Based on the monetary value and nature of the request consent was granted by the FIB with further intelligence gathering conducted.

This process entailed:

1. Seeking information from our international FIU counterparts through Egmont's Electronic Secure Web (ESW). This was initiated as the STR disclosed that the source of funds was:
   - from international business operations;
   - the use of "*gofundme"* platform promoted through social media; and
   - deposits to the account mainly being direct remittance transactions through an international money transfer platform.

   The FIU counterpart, however, reported that there was no match within their database based on the information provided. As a result, the report has been escalated for monitoring of the subject.

2. For the other consent request, the nature required further development of a Case Referral to a Competent Authority and a Case Disclosure to our investigative team for further development.

The initial analysis of the intelligence disclosed by the reporting entities concluded the following possible offences:

- Act of Professional Misconduct; Possible Breach of POCA 101A and Tax Related Offence.
- Fraud

CONCLUSION

The Securities sector plays an important role in the financial system by channelling household savings, institutional funds and corporate capital into a range of investment products, including government securities, corporate bonds, collective investment schemes and other market instruments. The sector therefore provides opportunities for investors to convert surplus into investments capable of genera ting returns beyond those typically associated with traditional deposit taking institutions.

The activities reported by the Securities sector over the six (6) month period, January to June 2026, indicated that some clients were not utilising securities accounts for their intended purposes. Instead, it was observed that clients' accounts were:

- Primarily used as pass-through accounts;
- Involved unexplained or unrelated third-party involvement, with one (1) report allegedly providing financial assistance to an associate who is involved in residential development;
- Transactional activities were not consistent with the customers' risk profile, expected source of funds, business activities or stated purpose for maintaining the account. One report even disclosed that the client's source of funds was from international means such as *"gofundme"* and *"income generated from their international company"* with the use of an international money service business to receive the funds; and
- Limited support of an underlying investment rationale or legitimate economic purpose for the movement of funds

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Collectively, these indicators may increase the sector's exposure to the placement and layering of illicit proceeds and the concealment of beneficial ownership or the ultimate destination of funds.

The observed trend is indicative of the potential misuse of securities accounts as conduits for the movement and layering of funds, rather than for legitimate investment activity. The use of accounts to receive and transfer funds involving unrelated parties, particularly where the transactions are inconsistent with the customer profile, may obscure the origin, ownership or ultimate destination of funds and reduce the transparency of financial flows. This vulnerability underscores the importance of effective customer profiling, ongoing transaction monitoring and enhanced scrutiny of unusual fund flows and third- party transactions within the sector.

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