



FINANCIAL INTELLIGENCE UNIT
PRINCIPALITY OF LIECHTENSTEIN

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FINANCIAL INTELLIGENCE UNIT (FIU)
OF THE PRINCIPALITY OF LIECHTENSTEIN



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“ Sometimes Truth Is Stranger Than Fiction ”
Bad Religion



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I. Foreword

Dear Readers

The year 2022 was by far the most challenging for the Financial Intelligence Unit so far. Without a doubt, this was because of the change in priorities following the Russian Federation's invasion of Ukraine. The stance of the Principality of Liechtenstein and of the Liechtenstein Government make one thing clear beyond doubt: Everything must be done in the power of the individual public authorities to stand up to the Russian aggressor. Within the scope of the FIU's mandate, this includes first of all a rigorous continuation of our analytical tasks in the area of money laundering, predicate offences to money laundering, organised crime, and terrorist financing. Additionally, the FIU acts as an enforcement authority for the implementation of international sanctions relevant to Liechtenstein and of the War Material Act and the Nuclear Energy Goods Control Act, which also governs the use of dual-use goods.

Even just a year ago, work relating to sanctions and war material and dual-use goods accounted for an almost negligible fraction of the FIU's work. This changed abruptly, given that the EU has already adopted ten packages of sanctions that also had to be implemented into Liechtenstein law. While the initial focus was on tracking down assets attributable to sanctioned persons, the priority has now shifted to preparing opinions for the attention of the Government and the Administrative Court on the basis of the investigations carried out to confirm or lift freezes on funds and assets introduced under the sanctions legislation.

In addition to directly applicable sanctions, sanctions of other jurisdictions – first and foremost those of the United States – are increasingly relevant for financial intermediaries. Firstly, they serve as a source of information regarding conduct that is potentially relevant to

money laundering. Secondly, they help financial intermediaries respond to the challenge of

maintaining business relationships with international partners who are legally required to comply with these sanctions and accordingly refuse to cooperate with partners who do not follow the same rules.

The duration of the war has come as a surprise to many – and is now leading to a shortage of weapons and ammunition. This in turn increases demand. Liechtenstein, as a business location for high-tech industrial companies and also as an established provider of financial and intermediary services, will increasingly have to assess whether business transactions in this regard are legally compliant, in cooperation with the FIU and the Swiss State Secretariat for Economic Affairs. There is a risk of being misused for illegitimate transactions, for example given the use of embedded microchips in everyday goods and the difficulties associated with their early detection.

The challenges are great, and they require walking a tightrope – wrong decisions quickly lead to a loss of reputation that is extremely difficult to repair in a world where full cooperation with partners and friends is a top priority.

In an environment of fundamental change – in which all the spheres that influence us must first be examined in terms of their trustworthiness – completely new challenges arise. This affects issues that are important to all of us, such as energy security and the associated ability to continue performing tasks, cybersecurity, and our resilience to attacks directed against our system, but also how politically motivated campaigns influence public opinion, with the ultimate goal of dividing our concentration of forces.



I would like to thank my team and my colleagues both inside and outside the National Administration for their great work over the past year, and I wish us all much strength, energy, and the necessary support in the fight for a better future.

Michael Schöb

Vaduz, March 2023

II. Organisation and strategy of the FIU

The Financial Intelligence Unit was established on 1 March 2001 and authorised by the Financial Intelligence Unit Act (FIUG; LGBl 2002.57) as the central official agency for acquisition and analysis of information that is required for the detection of money laundering, predicate offences to money laundering, organised crime and the financing of terrorism (Article 3(1) FIUG). Its core responsibilities consist in receiving and collecting information within the remit of its function, analysing it, and making the findings available to the competent domestic authorities and relevant foreign partner authorities.

1. Organisation

In addition, the FIU performs enforcement tasks such as receiving reports in connection with international sanctions.

The focus of the FIU's daily work is on receiving, evaluating, and analysing the reports submitted to the FIU by persons subject to due diligence. These reports are submitted on suspicion of money laundering, a predicate offence to money laundering, organised crime, or terrorist financing. If the suspicion is substantiated after analysis by the FIU, the FIU sends an analysis report detailing the fact pattern to the Office of the Public Prosecutor. The FIU is also authorised to obtain information itself from suitable sources.

In addition to the classic responsibilities of a financial intelligence unit, the Liechtenstein FIU is one of the few FIUs worldwide responsible for monitoring and enforcing the implementation of international sanctions. The FIU also performs the functions of the competent enforcement authorities for the War Material Act and the Nuclear Energy Goods Control Act. In addition to performing the analyses necessary to identify relevant fact patterns, these functions also involve establishing relationships with partner authorities in other jurisdictions. This is especially important given that in most countries, the partner authority is not a financial intelligence unit, but rather a dedicated authority or several authorities sharing responsibility for different aspects. The most time-

consuming work, however, involves investigations to determine whether or not persons with a certain proximity to sanctioned persons are properly covered by sanction measures.

In the year under review, the FIU had 13 employees (five of which part-time) to handle all of these tasks.

Developments over the past few years, and especially in recent months, have changed the already demanding scope of the FIU's responsibilities to an extent that could hardly have been foreseen even just a year ago.

For this reason, it was necessary to make at least ad hoc adjustments to the existing organisational structure, so that the FIU can adequately meet the growing challenges. One consequence is that the topic of international sanctions is now covered by the new Economic Affairs and International Sanctions Division, in particular so as to ensure the materially required independence to the best possible extent. In light of these developments, the FIU introduced a new organisational structure in mid-2022.

In light of the geopolitical situation and in particular Russia's war of aggression in Ukraine, the workload associated with this task has increased exponentially since the end of February 2022, absorbing a large share of the FIU's resources. In the medium term, this is not



sustainable, and it will require an expansion of relevant capacities and expertise.



2. Analysis Division

In addition to its management, the Analysis Division has 5 staff members (3.9 full-time equivalents) responsible for Operational Analysis and 1 full-time staff member responsible for Strategic Analysis.

All staff members in Operational and Strategic Analysis receive ongoing training; by 2022, they had also completed training in crypto-financial services and virtual asset service providers.

A. Operational Analysis

Operational Analysis is responsible for core FIU tasks such as the receipt, evaluation, and analysis of reports of suspicion as well as associated exchanges with national authorities and international partner authorities.

The steady rise in the number of suspected cases to be analysed and the growing complexity of the cases has further increased pressure on the FIU. This is especially true in light of the Russian war of aggression, since money laundering experts must now also analyse all case constellations for potential evasion of sanctions. This new reality necessitates, at the very least, additional staff training and IT optimisations to increase the FIU's efficiency.

The creation of the Economic Affairs and International Sanctions Division was not motivated solely by these developments, however. Preparations for an internal restructuring had already begun at a time when the extent of the surge in the FIU's workload was not yet foreseeable.

The decision to establish a separate Economic Affairs and International Sanctions Division was in particular based on the realisation that geopolitical influence in today's world is often exerted through foreign investment. Understanding these interrelationships and processes is therefore essential and requires appropriate structures.

B. Strategic Analysis

Strategic Analysis serves to make unrecognised trends and typologies visible. The results of this analysis are used to provide information to persons subject to due diligence and other stakeholders and to raise their awareness. Ideally, the findings also lead to the creation of parameters that allow developments to be monitored and provide an opportunity to initiate necessary corrective measures.

Topics currently being evaluated include virtual IBANs, the misuse of life insurance policies and private placement life insurance, and international brokerage of financial services, including where no authorisation is required.

C. Public outreach

The FIU represented Liechtenstein in working groups as an expert on money laundering and emerging risks at the request of international partners, and it organised several private-public partnerships together with the Bankers Association.

The FIU also presented at the following forums:

- Due Diligence Day in Liechtenstein
- University of Liechtenstein
- Association of Liechtenstein Charitable Foundations and Trusts e.V.
- 18th International Money Laundering Conference of the Akademie Heidelberg

3. Economic Affairs and International Sanctions Division

The Economic Affairs and International Sanctions Division was newly established in the year under review, providing an organisational structure that reflects the FIU's responsibilities in the enforcement of international sanctions, the War Material Act, and the Nuclear Energy Goods Control Act. It consists of three full-time positions, two of which could not be filled until the second quarter of 2023 in light of the current shortage of specialists and the very specific profile required.

During the year under review, the Economic Affairs and International Sanctions Division focused primarily on tracing sanctioned funds and assets and conducting investigative proceedings against the backdrop of pending requests for the Government to determine whether funds and/or assets affected by freezes are properly subject to restrictions. The division also dealt with numerous interpretive questions regarding the scope of application of the ever-expanding and changing sanctions provisions. Exchange of information with international partner authorities plays an especially important role in the work of the Economic Affairs and International Sanctions Division, whether in tracking down funds and assets or in coordinating enforcement actions.

Because of the Customs Treaty with Switzerland, cooperation with the Swiss State

4. Processes and Development Division

The Processes and Development Division consists of three staff members in addition to the division head. This division encompasses IT and general support for the entire FIU. Quality

Secretariat for Economic Affairs on enforcement of the War Material Act and Nuclear Energy Goods Control Act is paramount with regard to imports and exports to or from the common customs territory. Cooperation with partner authorities in other jurisdictions is necessary with regard to pure brokering transactions without physical movement of goods into or out of the common customs territory with Switzerland. The complexity of the matter, especially relating to dual-use goods, requires that competent and trustworthy international partner authorities share their expertise with the FIU.

Public outreach

During the year under review, the Economic Affairs and International Sanctions Division published several guidance notes to support persons subject to due diligence in dealing with the increasing density of sanctions. These include:

- FAQ on practice relating to Article 29d of the Ukraine Ordinance of May 2022
- FAQ on practice relating to measures in connection with Ukraine of June 2022
- FIU fact sheet on applying for an exemption under the Ukraine Ordinance

control of data collection, specialised IT applications, and projects to improve efficiency account for an especially large share of the division's workload (see also chapter 6 below).



5. Strategic orientation and focus

The past year forced the FIU to undertake a far-reaching restructuring of its own objectives. The clear priority was given to maintaining the FIU's fundamental responsibilities in receiving and analysing reports of suspicion on the basis of the Due Diligence Act while enabling it to ensure enforcement of international sanctions. Special attention was paid to making the interfaces between these two areas waterproof.

This new challenge for our employees, the FIU as a whole, and international cooperation makes clear that many old ways of thinking obscure areas of actual risk, whether for the financial centre as a whole or as a partner authority in the international community. The importance of performing national risk assessments was confirmed. While these

assessments have so far been limited to the financial sector, they will in future become necessary for industry and manufacturing, cybersecurity, and dependence on the regulations of important trading partners.

The FIU will in particular focus on being a reliable and competent partner on the international stage, even in challenging times. At the same time, it aims to be attractive for employees, facilitating development of the required expertise and training and integrating additional members into the team as needed.

Additional improvements in efficiency are to be achieved by procuring IT resources and expanding technical capabilities for automation and interfaces.

6. Technical developments

A. goAML

Since January 2018, the FIU has been using the goAML program for all communication relating to the following business cases:

- submission of reports of suspicion
- receiving and responding to requests for information from the FIU
- submission of reports based on the International Sanctions Act
- applying for exemptions under the sanctions ordinances

Since 1 April 2022, the ISG newsletter has no longer been sent out via an email distribution list or the goAML message board. Newsletters can now be subscribed to at <https://newson.llv.li/>. The newsletters are distributed using the standard tool of the National Administration, Newsletter2Go.

In late 2022, the goAML schema was expanded significantly, necessitating an update to the XML interface. The changeover will take place in two stages. The first stage was originally

scheduled to go live on 1 January 2023, but it had to be postponed until 1 April 2023 in light of the development status on the side of persons subject to due diligence. The second stage is now scheduled for 1 January 2024.

The expansion of the goAML schema opens up many new possibilities, including:

- capturing entity-entity relationships
- capturing account-account relationships
- representing validity periods between relationships
- marking a transaction as suspicious or also sender/receiver side of a transaction
- new logic/values for transaction types and statuses
- marking a collective account
- new account categories

The outlook for 2023 includes:

- goAML 5.2
- a significantly faster web portal with new possibilities for XML processing

-
- automatic content checking
 - numerous new nodes in the goAML schema (extended party node, new person node, PEP node, sanctions, and more)



III. Activities of the FIU

In the year under review, the FIU's work was again dominated by the increasingly heavy workload resulting from the further rise in the number of reports of suspicion, as well as implementation and enforcement of international sanctions.

The trend in the number of reports of suspicion is now unbroken for the fifth year in a row. A total of 2,400 reports of suspicion were submitted. This represents an increase of 8% over the previous year, despite the fact that the number of reports of suspicion from the crypto sector decreased significantly starting the middle of the year under review (-32%).

The increase in the number of reports this year was primarily due to reports of suspicion submitted by banks. The war in Ukraine and the associated sanctions and publicly available sources on potentially criminal behaviour by oligarchs played a significant role in this regard,

as did the compliance reviews carried out at individual institutions over the course of the year.

The traditional reports of suspicion continued to focus on fact patterns relating to fraud and corruption. However, fewer analysis reports (including supplementary reports) were submitted to the Office of the Public Prosecutor (-14%) and the Fiscal Authority (-58%) during the year under review than in the previous year. Only analysis reports for the Financial Market Authority increased (+12%). As already discussed, this decrease in absolute figures is due to the fact that in the year under review, the FIU focused on analysing complex case constellations as recommended in the MONEYVAL report, which takes up more resources. Overall, these focusing measures are expected to significantly strengthen the anti-money laundering mechanism.

1. Receipt and evaluation of reports of suspicion

Of the total of 2,400 reports of suspicion submitted, 1,389 (58%) came from banks, 797 (33%) from VASPs, 101 (4%) from the fiduciary sector, 37 (1%) from the insurance sector, 25 (1%) from casinos, and 27 (1.1%) from public authorities. With the exception of the VASP sector, the absolute case numbers rose again significantly compared with the previous year among all groups subject to the reporting requirement.

Most sectors thus recorded an increase in the number of reports of suspicion, with the banking sector in particular showing a very high growth of 62%.

For the first time, the number of reports submitted by virtual asset service providers declined. In the year under review, 47% fewer reports of suspicion were submitted than in the previous year.

The following are the most significant findings from 2022:

A. Old business relationships in a new light

The war in Ukraine and the associated sanction measures in Liechtenstein and abroad are now shedding a new light on many existing business relationships. This may be because the many articles published by investigative journalists are suddenly revealing new evidence of predicate offences relevant to money laundering, such as corruption, or because proximity to sanctioned persons is changing financial intermediaries' own risk assessment.

B. Crypto

The activities of domestic banks relating to onboarding and offboarding for VASPs, in particular for exchanges, deserve special mention in the year under review. The bank accounts

made available to the exchanges in their names are used by clients of exchanges to make fiat deposits or withdrawals. In these scenarios, it is strikingly common to find that depositors have become victims of fraud, because shortly afterwards they demand the return of the deposited amounts from the bank, or foreign law enforcement authorities request mutual legal assistance. In the vast majority of cases, however, the deposited funds have already been credited to the wallets of the scammers and transferred away, so that they are probably irrecoverably lost.

In the year under review, the FIU recorded an increase by more than 800% of requests for information from abroad relating to crypto transactions. This shows that awareness and the importance of crypto transactions are also increasing significantly abroad.

C. Time of submission of reports of suspicion

In the year under review, the FIU found that there is potential for improvement especially

2. Combating terrorist financing

In changing times, it continues to be important to keep a compliance focus on the very important issue of terrorist financing, even as the workload and complexity increase. Especially given the rising importance of expertise in international sanctions, greater recognition of the need to submit notifications and reports even without an identified predicate offence is advantageous.

3. Enforcing international sanctions including international cooperation

In the year under review, the number of reports under the International Sanctions Act rose very sharply from 19 in the previous year to about 300, in light of the situation and Liechtenstein's unequivocal stance on incorporating the EU sanctions into national law. It is significant in this regard that the FIU's analysis of reported cases of suspected money

with regard to timely submission of reports of suspicion. In this regard, please refer to the detailed remarks already made in the 2018 annual report. Supplementing those remarks, it is not sufficient to merely refer to indications found in public sources and generated by third parties, if the exercise of ordinary due diligence should already have prompted the person subject to due diligence to carry out special clarifications. In practice, this occurs, for instance, where an institution subject to due diligence submits a report of suspicion only when it becomes aware of an indication of a predicate offence due to a hit from a third-party name-matching provider, such as World-Check, but where this should have been noticed earlier through the proper exercise of transaction monitoring and comparison with the business profile, along with research in public sources. In the view of the FIU, this purely reactive reporting behaviour does not comply with the obligations arising from the Due Diligence Act with regard to the ongoing monitoring of a business relationship.

In the year under review, 11 reports of suspicion with a nexus to possible terrorist financing were submitted. This represents a decrease of more than 50% from the previous year. It must be assumed that the focus on combating terrorist financing was displaced by the focus on sanctions during the year under review.

laundering revealed a significantly higher occurrence of potential mechanisms for evading sanctions. The focus and priorities of the analysis activities differ in principle, however. While money laundering analyses focus on substantiating suspicions and, in particular, on identifying a potentially criminal predicate offence, sanctions analyses serve to track down

As an EEA member, Liechtenstein is represented in this group only as an observer. However, in view of the fact that almost all of the Union's financial market regulation is incorporated by the EEA, participation is very valuable and useful. The information from this group allows the FIU to prepare for implementation of new EEA law at an early stage and to draw attention to particularities of implementation for the process of incorporation into EEA law.

In 2022, discussions of major interest to Liechtenstein included details of the 6th Anti-Money Laundering Directive and the 1st Anti-Money Laundering Regulation as well as the provisions contained therein regarding establishment of a European Anti-Money Laundering Authority (AMLA).

5. National cooperation

A. PROTEGE

The FIU is represented in the Government's PROTEGE working group. The mandate of the working group is implementation of the Financial Centre Strategy with regard to the defence mechanism against money laundering and financing of terrorism and proliferation. The working group is chaired by the Ministry of General Government Affairs and Finance; along with the FIU, it includes seven other public authorities and the Chamber of Lawyers in its capacity as a supervisory authority.

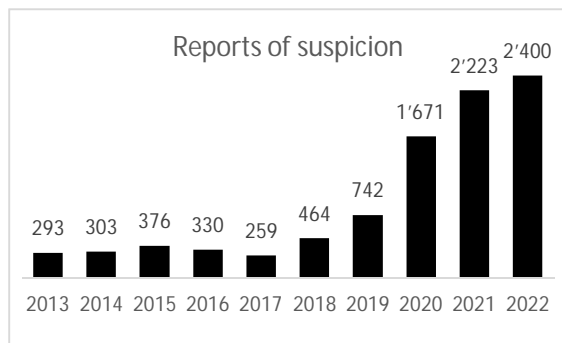
In the reporting year, MONEYVAL published its predominantly positive mutual evaluation report (MER) for Liechtenstein. Despite the positive result, the working group began already in autumn 2022 to develop an action plan based primarily – but not exclusively – on the recommendations contained in the MER. The first measures were already initiated at the end of 2022. In light of the content, the FIU is involved in many areas of the action plan. Especially in the context of preparation of the next national risk assessments, resources will accordingly be tied up in this regard.



IV. Statistics

1. Overall view

The statistics presented under this heading provide an overview of the total number of notifications and reports received. They impressively show the continuous increase in the numbers and the growing workload for reporting persons and the FIU. Despite the already discussed decline in reports of suspicion from the crypto sector, reports of suspicion rose again by nearly 8% overall.



In 2022, the FIU received 2,400 SARs and STRs (reports of suspicion). This corresponds to the counting method used in previous annual reports.

2. Reports of suspicion under the SPG

This heading covers the SARs/STRs submitted to the FIU by persons subject to due diligence pursuant to Article 17 SPG in the case of suspicion of money laundering, a predicate offence to money laundering, organised crime, or terrorist financing.

A. Evaluation by sector

The reports of suspicion received by the FIU in the years 2018 to 2022 under the SPG can be attributed to the sectors listed below. It can be seen very clearly that reports of suspicion from banks increased by 62% in the reporting year, while those from VASPs decreased by 32%, for

The number of incoming reports of suspicion is only of limited use when ascertaining the number of cases dealt with by the FIU, however. Very often, several reports of suspicion concern the same fact pattern and are combined into a single, overall analysis. Conversely, an analysis may also be initiated without a report of suspicion being submitted. This may be the case if the FIU receives indications of incidents relevant to money laundering from foreign partner authorities or encounters fact patterns in the course of its activities that arise from public sources such as press reports, for instance. In 2022, the incoming reports of suspicion were divided into a total of 1,037 cases and assigned to the Operational Analysis Division according to priority. An additional 182 cases were triggered in part by information or requests for information from foreign partner authorities or other indications of acts relevant to money laundering.

reasons already discussed. It is also worth noting that casinos submitted significantly more reports in 2022 than in previous years, although there are still obvious differences between the casinos in terms of the submission of reports of suspicion. Strikingly few reports of suspicion come from the life insurance sector. The FIU has repeatedly drawn attention to this fact and will monitor developments more closely.



FI sector/year	2018	2019	2020	2021	2022
Banks	305	540	844	862	1,389
Public authorities	7	13	13	25	28
Electronic money institutions	2	1	29	4	0
Postal service providers	3	5	1	5	3
Fund companies/AIFMs	2	4	8	1	1
Dealers in goods	0	1	0	0	1
Investment undertakings	0	0	0	0	1
Lawyers/law firms	0	0	2	2	3
Casinos	1	9	4	11	25
Tax advisors/accountants/auditors	1	5	2	1	0
Professional trustees/trust companies	82	132	102	84	101
Asset management companies	2	1	2	6	9
Insurance brokers	2	0	0	0	0
Insurance undertakings	37	27	19	36	37
Depositaries	0	0	0	0	1
Virtual asset service providers	0	0	640	1,175	797
Investment firms	1	0	0	1	0
Payment service providers	0	0	0	0	1
Others	4	4	5	10	3
Total	449	742	1,671	2,223	2,400

B. Reasons for submission

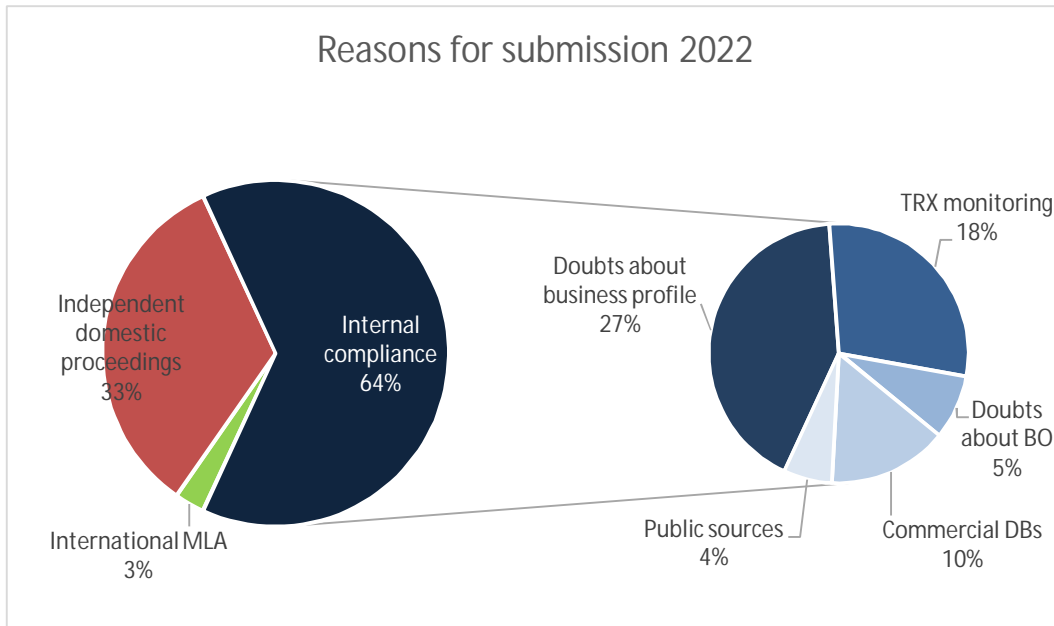
The reports of suspicion (SARs/STRs) are classified according to whether they:

- were submitted pursuant to an institution's own clarifications of unusual or conspicuous transactions (internal compliance);
- were submitted on the basis of knowledge gained by the person subject to due diligence pursuant to international requests for mutual legal assistance (MLA); or
- originated in independent domestic investigative proceedings (DP).

The FIU once again would like to emphasise the obligation to draw on information that can be found in public sources. Open-source

intelligence (OSINT) refers in this context to the use of freely available, open sources such as print media, television, or the internet to compile information for the purpose of gaining insights.

The FIU would like to see persons subject to due diligence exercise more attention and care with regard to the use of indicators when submitting notifications and reports. Indicators are not only very important from a statistical perspective for the further processing of reports of suspicion, they also help the FIU perform an initial prioritisation of incoming reports of suspicion. For instance, where reports of suspicion are submitted with the indicator "terrorist financing" or "international sanctions", they can be recognised as such at first glance and processed immediately.



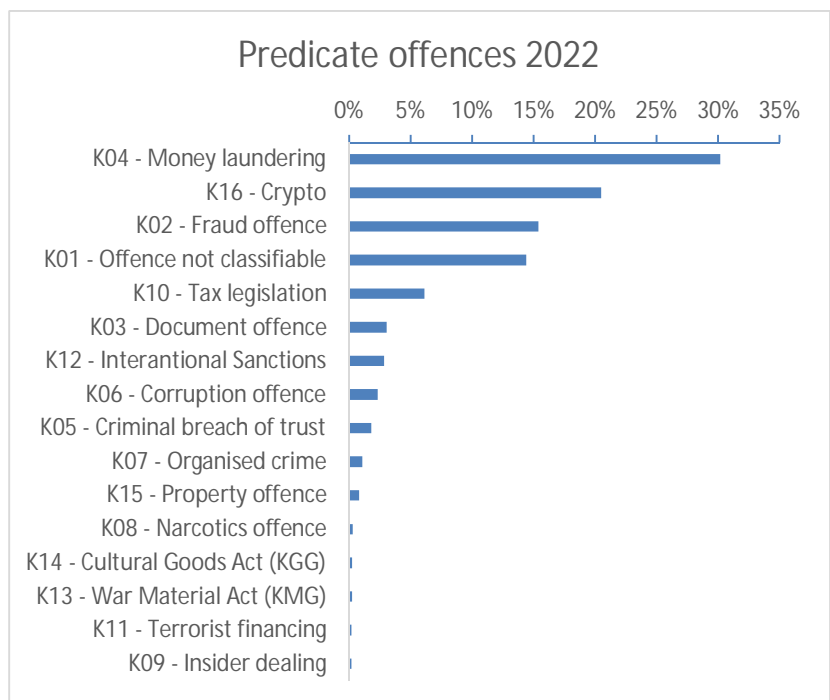
Compared with 2021, there has been a significant shift in the reasons for submission from "transaction monitoring" as the most frequent internal reason for submission in 2021 (42%) to "doubts about the business profile" in the reporting year (+26%). This is most likely due to the fact that several persons subject to due

diligence intensified their file reviews in the reporting year. However, most reports of suspicion are still ultimately or indirectly triggered by external factors (e.g. requests for mutual legal assistance, criminal proceedings, media reports, or hits in commercial databases).

C. Statistics according to offence

Predicate offences

A predicate offence is the offence from which the assets originate or might originate or through which the assets have been generated. For the statistics, the predicate offences are relevant that are ascertained by the FIU's analysis of the reports of suspicion (SARs/STRs) pursuant to the Due Diligence Act, even where these results are only preliminary. This assessment may change over the course of any criminal proceedings that might be conducted. What cannot be seen from these statistics is the workload attributable to the various categories. It seems obvious that, for example, the analysis of a simple case of fraud to the detriment



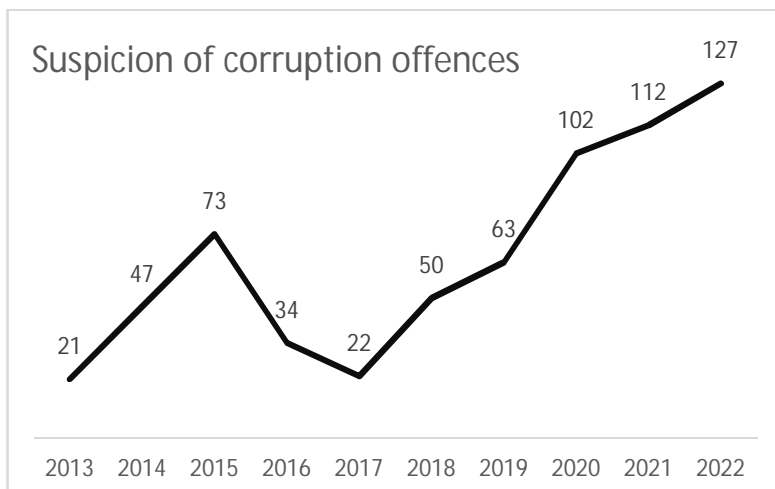
of a person who was induced to invest in a promising cryptocurrency is not comparable to acts of fraud and corruption relating to the award of construction contracts paid for from public funds using multi-layered corporate structures.

This chart gives an impression of the perception of persons subject to due diligence with regard to predicate offences committed in

connection with money held in the Liechtenstein financial centre. The focus continues to be on fraud in its various forms. Corruption offences are also still frequently identified as such, and once again open-source intelligence can play a crucial role in this regard. It also becomes clear that with respect to fraud in particular, many criminal acts occur in combination with virtual assets.

Suspicion of corruption offences

This chart illustrates the steady increase in corruption offences or, more precisely, suspicions that the constellation in question may constitute a corruption offence from the perspective of the person subject to due diligence. Indicators of corruption offences can be found in particular in legal transactions that take place in the context of government contracts or that involve state-owned companies, but increasingly also in connection with international sanctions. Construction is an industry that has long been linked especially often to corruption cases. Moreover, the involvement of politically exposed persons may be an indicator of corruption, as can the payment of unusually high commissions or non-transparent consulting

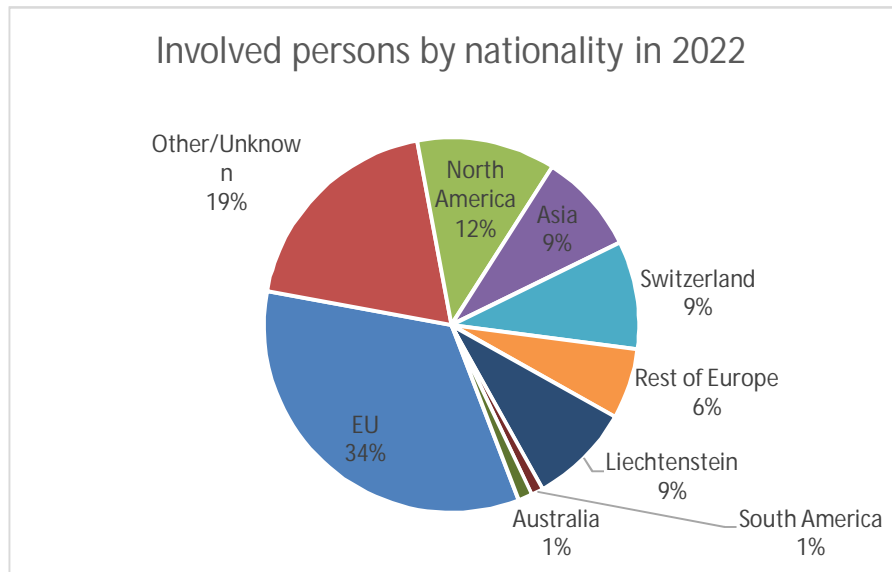


contracts. The acceptance of gifts – also occurring as mixed gifts – plays a significant role, bearing in mind that the benefits may not be exclusively in physical form (for further indicators, please refer to Annex 3 of the Due Diligence Ordinance).

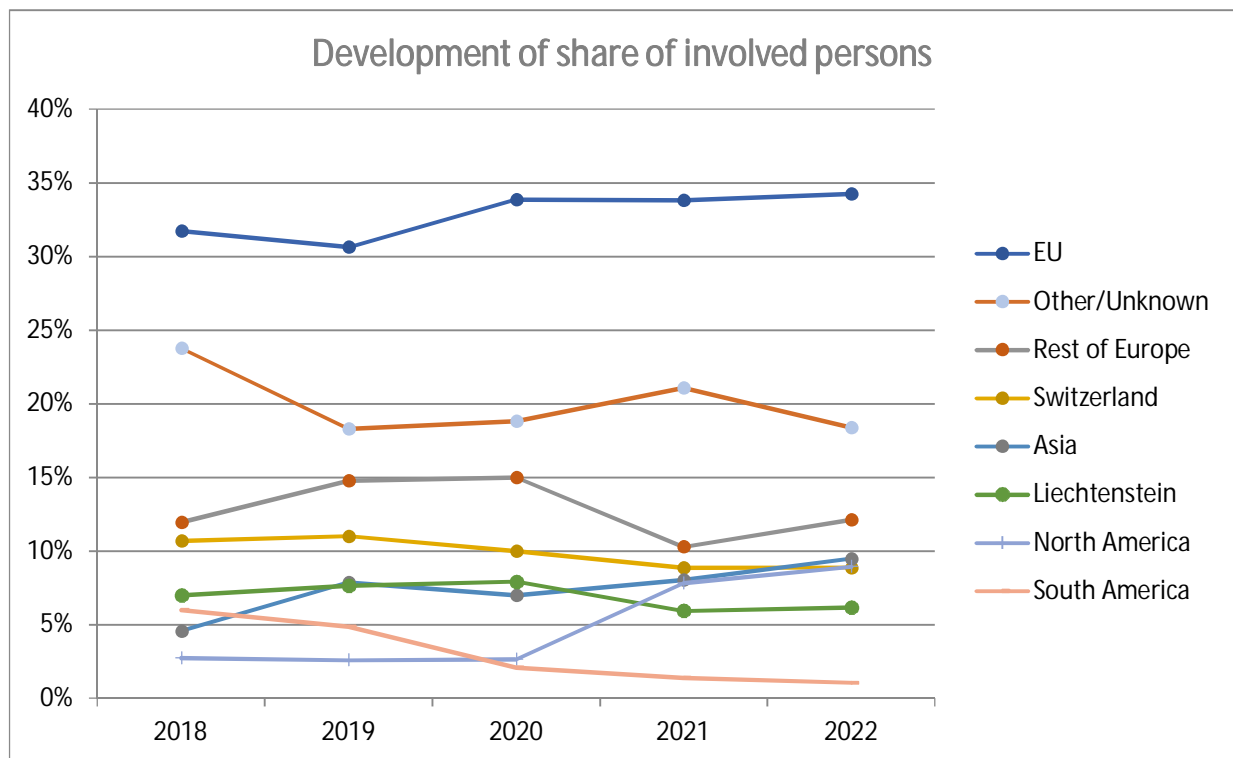


Nationality/domicile of persons involved in report of suspicion

This statistic provides information on the nationality or domicile of the persons appearing in reports of suspicion. This may be the contracting party, the beneficial owner(s), but also other involved persons. The following chart shows the percentage development of the share of involved persons since 2018. The breakdowns for the regions shown mostly change very little, except for the increase in 2020, which is associated with the market entry of VASPs in



Liechtenstein and the decrease of other involved persons or persons of unknown origin.



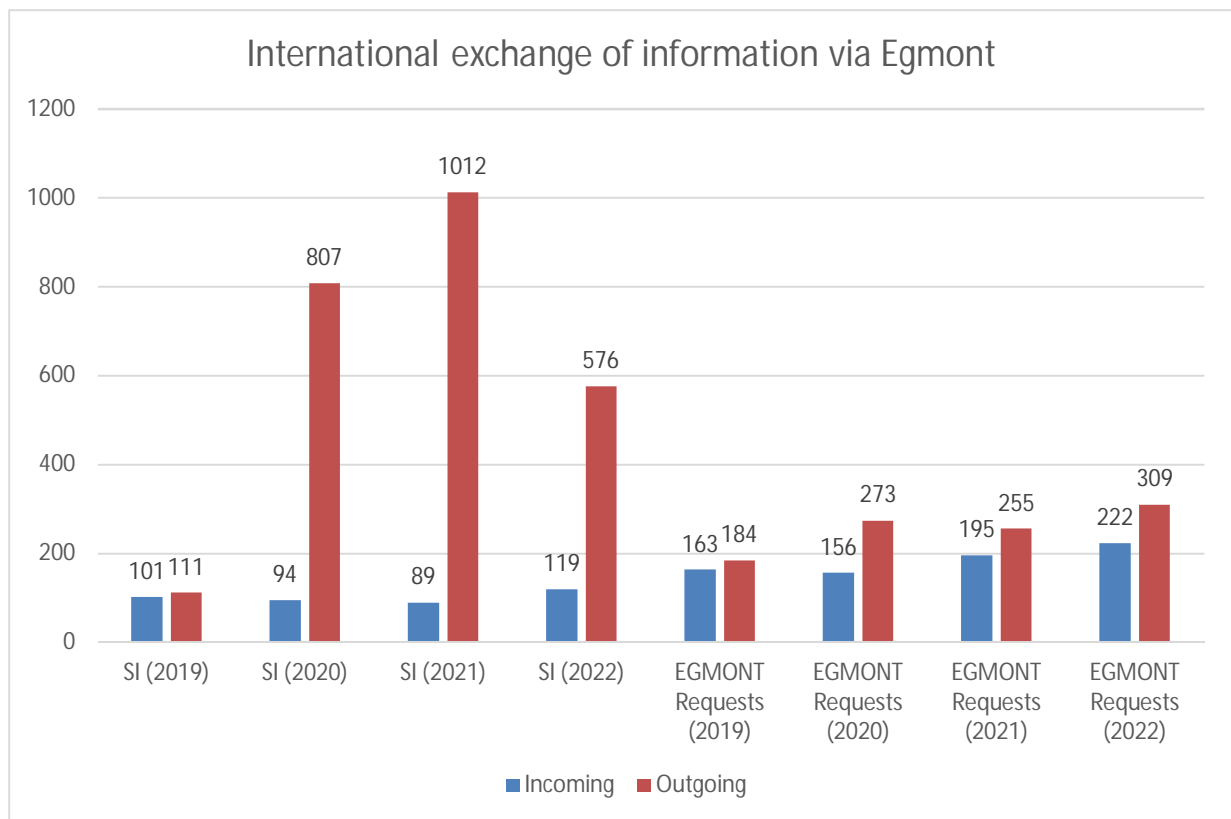


D. International cooperation

With the introduction of the Token and TT Service Provider Act (TVTSG), the number of reports of suspicion surged, as described above. In a large number of cases, the reported fact patterns have in common that both the perpetrator and the victim are domiciled or resident outside Liechtenstein. The only nexus with Liechtenstein is usually the processing of the transaction in question via the domestic provider. For the work of the FIU, this means it is imperative and urgent in these cases that contact be made with the relevant partner authority, which must at least be informed of the fact pattern by way of an information report (spontaneous intelligence, SI).

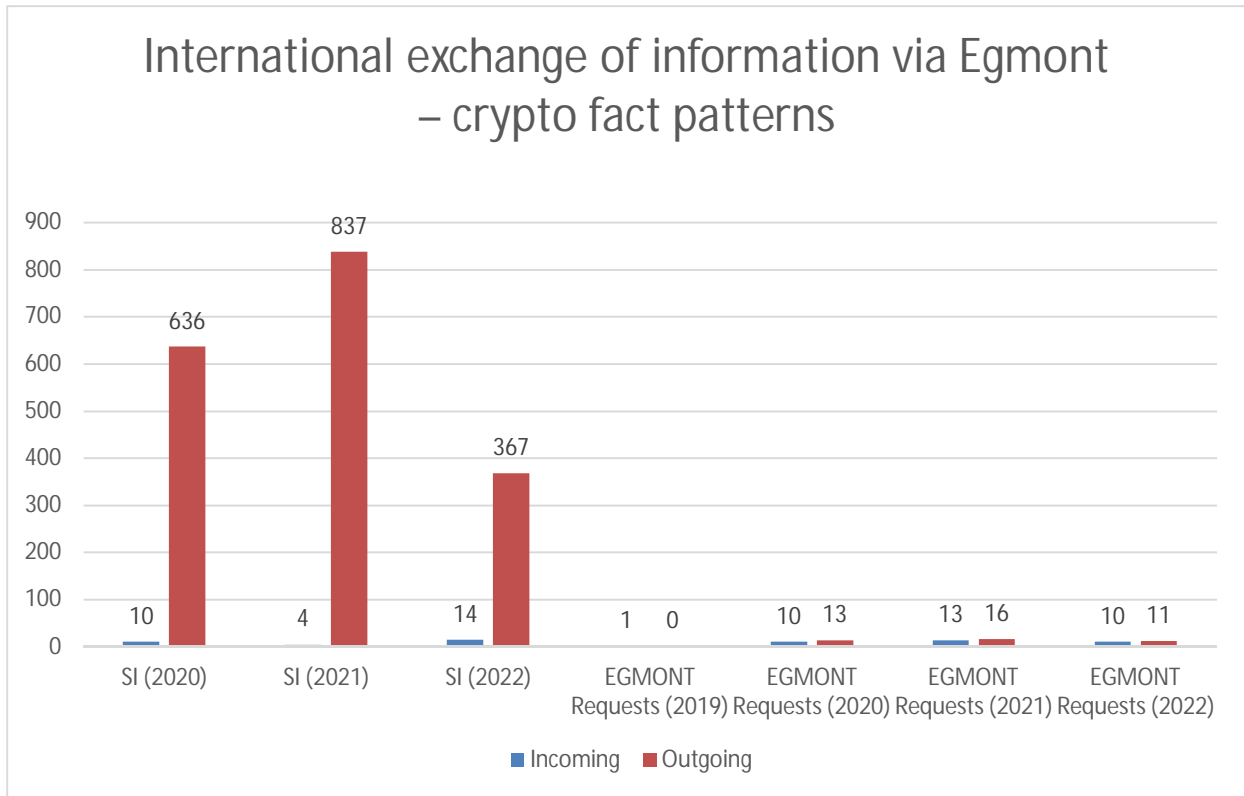
The chart below shows this development of incoming and outgoing information reports, as well as incoming and outgoing requests for information to or from FIU partner authorities since 2019.

The chart reflects the development of outgoing information reports mentioned above, which is due to the reporting behaviour of a VASP. The development of requests for information shows a steady, linear increase over the years, in both outgoing and incoming requests.



The following chart shows the development of incoming and outgoing information reports and requests already described above, but only in relation to crypto fact patterns. Offboarding

and onboarding cases are not included, given that the relevant or underlying reports of suspicion are usually submitted by banks, not VASPs.



3. Reports and applications under the ISG

This heading covers all reports and applications for approval transmitted to the FIU pursuant to an ordinance on coercive measures. Persons with their place of residence, registered office, or a branch in Liechtenstein are required to submit a report or an application for approval.

During the reporting period, 94 reports under the ISG, 119 deposit reports, 5 applications under Article 8a ISG, 12 applications under Article 16 of the Ukraine Ordinance, and 3 written enquiries were submitted to the FIU.

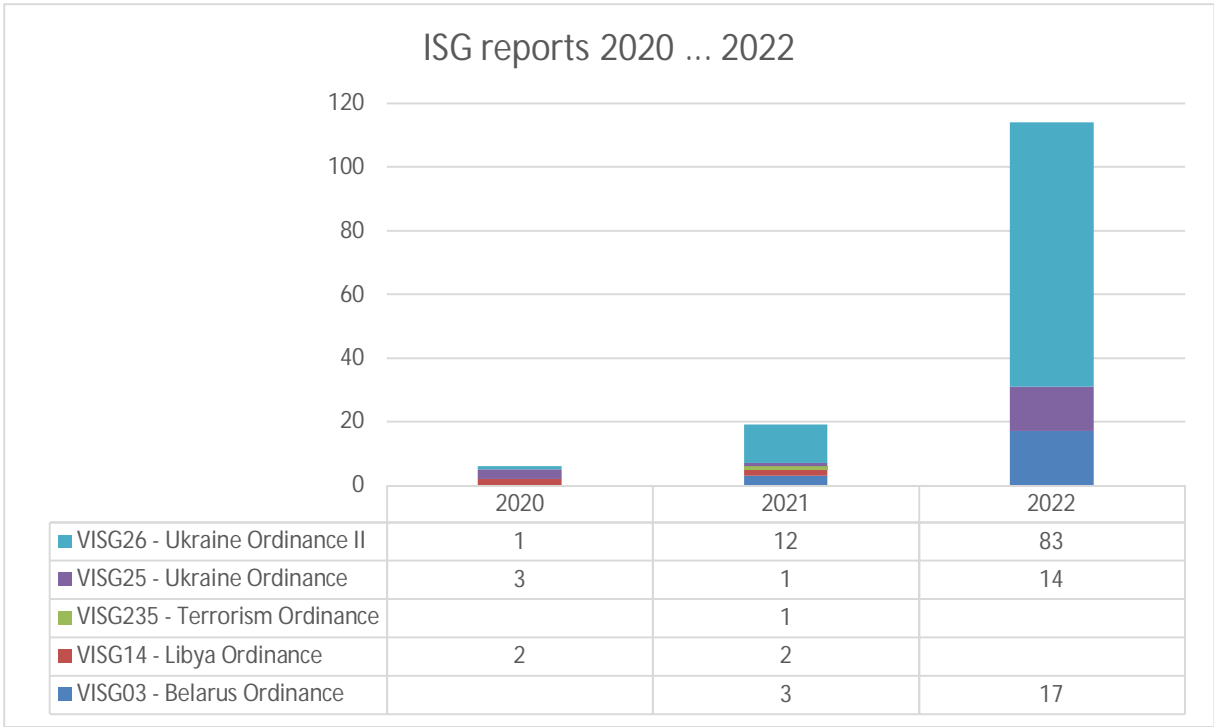
179 reports of suspicion relating to various sanctions regimes were submitted to the FIU in the year under review. Not surprisingly, these reports of suspicion primarily related to the Ukraine Ordinance.

With each new EU sanctions package, it was observed that persons subject to due diligence reported more "old" business relationships whose business profiles exhibited certain irregularities in light of the new sanctions. Iran sanctions also became more prominent again.

ISG reports also related in part to the Law on the Brokering of and Trade in War Material (War Material Act; KMG) and the Law on the Brokering of and Trade in Nuclear Goods, Radioactive Waste, Dual-Use Goods and Special Military Goods (Nuclear Energy Goods Control Act; KEGKG). In the reporting period, 12 cases relating to the War Material Act and 14 cases relating to the Nuclear Energy Goods Control Act were reported to the FIU.



ISG reports 2020 ... 2022



V. Abbreviations

DP	Domestic proceedings
EEA	European Economic Area; Liechtenstein became a full member of the EEA on 1 May 1995
EU	European Union
FATF	The Financial Action Task Force is an expert group established by the G7 and the European Commission in 1989 with the mandate to analyse methods of money laundering and to develop measures to combat it. It currently consists of 36 members, including 34 jurisdictions and two international organisations (the European Commission and the Gulf Cooperation Council).
FIU	Financial Intelligence Unit (of the Principality of Liechtenstein)
FIUG	Liechtenstein Law of 14 March 2002 on the Financial Intelligence Unit
FMA	Financial Market Authority Liechtenstein
goAML	Electronic reporting portal of the FIU for submitting reports of suspicion and for responding to requests for information
ISG	Liechtenstein Law of 10 December 2008 on the Enforcement of International Sanctions (International Sanctions Act)
KEGKG	Law of 10 December 2008 on the Brokering of and Trade in Nuclear Goods, Radioactive Waste, Dual-Use Goods and Special Military Goods (Nuclear Energy Goods Control Act)
KMG	Law of 10 December 2008 on the Brokering of and Trade in War Material (War Material Act)
MER	MONEYVAL mutual evaluation report
MLA	Mutual legal assistance
MONEYVAL	Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism
NRA	National Risk Assessment
OECD	Organisation for Economic Co-operation and Development
SAR	Suspicious activity report (report of suspicion not involving a transaction)
SI	Spontaneous information report
SPG	Liechtenstein Law of 11 December 2008 on Professional Due Diligence for the Prevention of Money Laundering, Organised Crime and Financing of Terrorism (Due Diligence Act)



STR Suspicious transaction report (report of suspicion involving at least one transaction)

TRX Transaction

VASP Virtual asset service provider