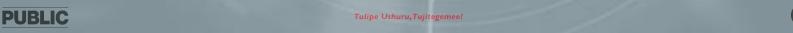
EXAMPLES OF FINANCIAL INTELLIGENCE

OECD COUNTRY PRESENTATION – KENYA
NATALIE KIRANGA, KENYA REVENUE AUTHORITY



OVERVIEW



BRIEF BACKGROUND AND MANDATE OF KRA



WHAT IS FINANCIAL INTELLIGENCE?



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BACKGROUND AND KRA MANDATE

The Authority's mandate is to:

The Kenya Revenue Authority (KRA) was established by an Act of Parliament (Cap 469) on 1st July 1995 as a central body for the assessment and collection of revenue on behalf of the Government of Kenya.

Assess, collect and account for all revenues in accordance with specific laws relating to revenue;

Advise on matters relating to the administration and collection of revenue under the written laws or the specified provisions of the written laws; and

Perform such other functions in relation to revenue as the Cabinet Secretary to the National Treasury may direct.



Revenue Collection



Trade Facilitation



Border control





INTELLIGENCE AND STRATEGIC OPERATIONS DEPARTMENT

I&SO department was formed in 2017 to support business departments in enhancing revenue collection through intelligence gathering, evaluation, analysis and dissemination to policy makers which adds value to the decision-making process.

The department helps KRA to address threats it faces in executing its mandate. The threats include those associated with tax evasion, illicit trade, cybercrime, sabotage by internal and external sources and risks associated with staff integrity.

The department also works on establishing networks with other public and private sectors to facilitate effective collection and utilization of Intelligence.(DCI, EACC, NIS, BANKS).

WHAT IS FINANCIAL INTELLIGENCE?



"Intelligence is a value-added product derived from the collection and processing of all relevant information relating to the end user's needs, which is immediately or potentially significant to the end user's decision-making process"

 Financial intelligence refers to the ability to understand and interpret financial data and transactions, and to use this knowledge to make informed decisions and identify potential financial crimes or fraudulent activities.



Financial intelligence is an essential skill set for investigators working on financial crimes as it allows them to uncover the hidden patterns and connections in complex financial transactions and identify potential criminal activities.



CATEGORIES OF FINANCIAL INTELLIGENCE

Transactional Intelligence:

This type of financial intelligence focuses on gathering information about individual financial transactions. This includes information about the parties involved, the amounts transferred, and the methods of payment.

Link Analysis:

This type of financial intelligence involves analyzing relationships between different entities to identify potential connections or links between them. This can help investigators to identify potential co-conspirators or other individuals or entities that may be involved in illicit activities.

Source Intelligence:

This type of financial intelligence focuses on identifying the source of funds for specific transactions or activities. This can include tracing the flow of money from one entity to another and identifying any potential sources of illicit funds.

Behavioral Intelligence:

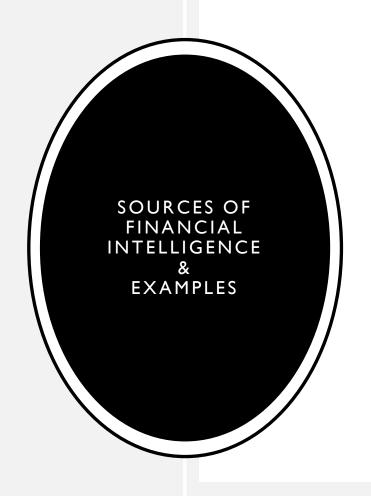
This type of financial intelligence is based on analyzing patterns of behavior to detect potential financial crime. It involves examining the financial activities of individuals or entities to identify any unusual patterns or transactions that may be indicative of illegal or unethical behavior.

Communication Intelligence:

This type of financial intelligence involves analyzing the communications of individuals or entities to detect potential financial crime. This can include examining email, phone records, or other forms of communication to identify any suspicious activity.







- 1. Public Records
- 2. Financial Institutions & DNFBPs
- 3. Government Agencies
- 4. Open-Source Intelligence
- 5. Informants



PUBLIC RECORDS

Public records such as corporate filings, land registry documents, and court records can provide valuable financial intelligence. These records can provide information on the ownership of assets, sources of income, and financial transactions, which can be useful in detecting potential financial crime.

Corporate filings

 Publicly traded companies must file periodic reports including annual reports, quarterly reports, and current reports. These filings provide detailed financial information about the company, including its revenue, expenses, assets, and liabilities.

Real estate records

 Property records, such as deeds, mortgages, and liens, can provide information about ownership, financing, and transactions related to real estate. These records can be used to trace the ownership of property, uncover hidden assets, and identify potentially fraudulent activity.

Court records

 Court records can provide information about lawsuits, judgments, bankruptcies, and other legal proceedings. These records can be used to identify potential financial fraud or misconduct.

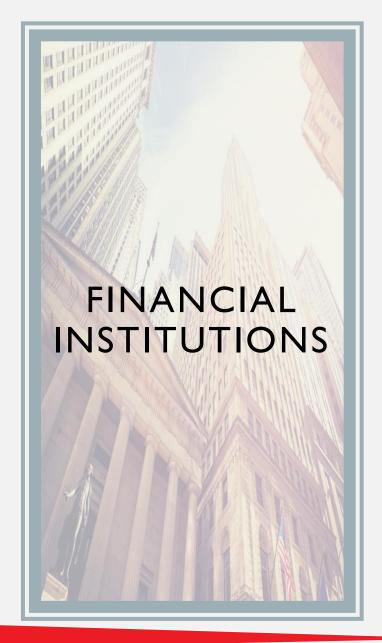
Professional licensing records

 Many professions, such as lawyers, accountants, and financial advisors, are required to be licensed and registered with state or federal agencies. These records can be used to identify individuals with expertise in financial matters and to uncover potential conflicts of interest or fraudulent activity.

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- Financial institutions, such as banks and other financial intermediaries (Money Service Businesses and Payment Service Providers), are often a valuable source of financial intelligence. They maintain records of financial transactions, which can be used to detect suspicious activity (Suspicious Transaction Reports), such as money laundering or terrorist financing. Other information you can get include copies of ledgers of businesses, pensions, insurance schemes, mortgages, and loan applications.
- Financial intelligence can also be gathered from Designated non-financial businesses and professions (DNFBPs) which include real estate agencies, accountants, NGOs, casinos, precious metals and stones dealers.
- Such institutions are also required to collect Customer Due Diligence Information (Know Your Customer documents) which can be helpful in conducting link analysis and identifying the true Beneficiaries in transactions.

GOVERNMENT AGENCIES

Government agencies, such as tax authorities, law enforcement agencies, and regulatory bodies, can provide financial intelligence through their investigations and audits. They may have access to information that is not publicly available, such as tax returns and other financial reports, which can help investigators to identify potential financial crimes.



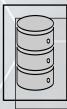
Tax records

Provide information on income, deductions (expenses), tax liabilities and customs records (imports/exports).



Land Registry Information

Provide information on property ownership.



Business Registry Information

Provide information on business ownership, officers and directors.



Motor Vehicle Registry Information

Provide information on motor vehicle ownership.



Utility (Electricity/Water) Registration Information

Provide information on property ownership.



Court records

Provide information on lawsuits, judgments, and other legal proceedings that may be relevant to a financial investigation.



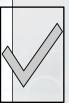
Government contracts

Provide information on payments to contractors, subcontractors, and vendors.



Immigration records

Provide information on travel, work permits, passport details and visa records.



Licenses and permits

Provide information on individuals and businesses that may be relevant to a financial investigation, such as licensed professionals or businesses that require special permits or certifications.





OPEN-SOURCE INTELLIGENCE

Open-source intelligence, which includes information available on the internet and social media, can provide valuable financial intelligence. For example, social media posts or online forums can be used to identify connections between individuals or entities and to track their financial activities.



Social media postings

Provides information on individuals and businesses, and relationships and connections between individuals and organizations.



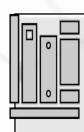
News media (including newspapers, trade journals, society or gossip tabloids, or websites)

Provides information on individuals, businesses, and financial transactions and regulatory issues, legal disputes, and other factors that may impact financial activities.



Educational records, publications of alumni organizations

Provides information on educational background of individuals and relationships and connections between individuals and organizations.



Academic research

Provides information on financial activities and trends, as well as potential risks and best practices for financial activities. This research can be used to identify patterns or anomalies that may be relevant to a financial investigation.





INFORMANTS

Informants, including whistleblowers and confidential sources, can provide valuable financial intelligence. They may have access to information that is not publicly available or have inside knowledge of potential financial crimes.

Hidden assets

Informers may provide information on hidden assets, such as offshore bank accounts or shell companies, that individuals or organizations may be using to conceal their wealth or engage in illegal activities.

Tips on illegal activities

Informers may provide information on illegal activities, such as money laundering, tax evasion, insider trading, or securities fraud, that they have observed or participated in.

Insider information

Informers may provide insider information on companies or financial institutions, such as confidential financial data or trading strategies, that could be used for illegal gain.

Bribery and corruption

Informers may provide information on instances of bribery or corruption, such as payments made to public officials or government contracts awarded to friends or family members.

Connections and relationships

Informers may provide information on relationships and connections between individuals and organizations that could be relevant to a financial investigation. This could include information on business partnerships, political affiliations, or personal relationships.

Threats or coercion

Informers may provide information on instances of threats or coercion that they have experienced or witnessed in relation to financial activities or transactions.

Inside knowledge of criminal organizations

Informers may have inside knowledge of criminal organizations involved in financial crimes, such as drug cartels or organized crime groups, and can provide information on their activities and networks.







