

AML/ATF MATTERS
SIGNS THAT CAN LEAD TO SUSPICION OF MONEY LAUNDERING

The Proceeds of Crime Act 1997 requires persons to file a suspicious activity report with the Financial Intelligence Agency, where in the course of their trade, profession, business or employment they have reason to suspect that money laundering is being carried out by someone; or they suspect funds/assets to be the proceeds of criminal activity.

Below are some signals that may prompt such a suspicion in various businesses or sectors.

Financial Sector Banks/Money Service Businesses (MSBs)

- Smurfing – a number of customers exchanging small amounts of cash on different and successive occasions. By itself, the amount is small, but collectively it is a large sum
- Customer visits different branches in close succession, conducting cash exchanges for foreign currency/or sends out money via MSBs using different branches
- Customer conducting cash exchanges on a regular basis with no known legitimate income source
- Customer conducting cash exchanges on a regular basis and always leaving a minimal balance in account
- Customer holds several accounts and makes unexplained cash deposits into all (transfers to one account and withdraws/wires out same)
- Wire transfers not consistent with customer's profession or business
- Increased usage of safety deposit box
- Customer appears to wire funds under a threshold amount
- Customer requests dates to wire funds over a period of time all under a proposed threshold amount
- Customer has exact amount to conduct cash exchange or wire, which include fees

General

- Refusal by employee to accept promotion or transfers or changes in duties/responsibilities
- Employee appears to be the person all customers request to conduct transactions or business with
- Being asked by a third party, who is not close to you, to conduct a cash exchange or wire funds on their behalf
- Persons making cash payments for valuable items with no known legitimate income
- Person appears to be living beyond their means

Real Estate/Car dealers (High Value Dealers)

- Client makes rental or lease payment in advance for a number of months, paying cash
- Client makes initial deposit using a third-party cheque or large sum of cash
- Client makes purchase of property or rents property and initiates to put under another name
- Client does not wish to put their name on any documents
- Client purchases vehicle and wishes at last minute to put in another person's name
- Pays cash for vehicle (or high value item) over a short period of time

Accountants

- Clients whose cheques are inconsistent with sales (indicating unusual payments or unlikely sources)
- Clients who seemingly change accountants/bookkeepers frequently
- Clients unsure of where company records are

Securities/Insurance

- Lack of concern by customer regarding risks, commission or fees
- Customer opens a policy with no concern for performance, but interested in early cancellation policy
- Funds to policy being paid from unknown third party