



GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO  
**FINANCIAL INTELLIGENCE UNIT**  
MINISTRY OF FINANCE



**PROPOSED**

**STR REPORTING STANDARD NO.1 OF 2011**

**(STR-RS/1/2011)**

**SUSPICIOUS TRANSACTION REPORT/ SUSPICIOUS ACTIVITY REPORT (STR/SAR)**

**Issued this 12<sup>th</sup> day of August, 2011**

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## **STR-RS/1/2011**

### **INTRODUCTION**

This STR/SAR Reporting Standard No.1 of 2011 (“STR-RS/1/2011”) is issued under Regulation 30(2)(d) of the FIU Regulations in order to assist and guide you in completing the Suspicious Transaction Report/Suspicious Activity Report (STR/SAR) as prescribed in the Third Schedule of the Proceeds of Crime Act Ch. 11:27 as amended (“the POCA”). STR-RS/1/2011 is provided as general standard and it is not intended to act as a substitute for your own assessment, based on your knowledge as well as the specific circumstances of the transaction.

### **COMMENCEMENT, DURATION, STATUS AND DEFINITIONS**

- 2.1 (1) **STR-RS/1/2011** is effective from August 2, 2011.
- (2) Unless it is altered or revoked by the FIU, **STR-RS/1/2011** will expire on the issuance of STR Reporting Standard No 2 (**STR-RS/2/**).

2.2 **STR-RS/1/2011** should be interpreted in line with the provisions of the FIU Act 2009 (as amended) and the FIU Regulations, 2011.

#### **2.3 Definitions**

- (a) “FIU” means the Financial Intelligence Unit of Trinidad and Tobago established under section 3 of the Financial Intelligence Unit of Trinidad and Tobago Act, 2009 as amended. It is the primary institution responsible for receiving, requesting, analyzing and disseminating to the investigatory and supervisory authorities, disclosures of financial information to combat money laundering and terrorism financing.
- (b) “Reporting entities” means all the persons and entities mentioned in part 3 of this **STR-RS/1/2011**.

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(c) “Suspicious transaction” means:

- (i) a transaction which gives rise to a reasonable suspicion that it may involve –
  - the laundering of money or the proceeds of any crime; or
  - funds linked or related to, or to be used for, terrorism or acts of terrorism or by prescribed organizations, whether or not the funds represent the proceeds of a crime;
- (ii) a transaction which is complex, unusual large transaction<sup>1</sup>, whether completed or not;
- (iii) a transaction which is made by or on behalf of a person whose identity has not been established to the satisfaction of the person with whom the transaction is made;
- (iv) a transaction which gives rise to reasonable suspicion; and (v) unusual patterns of transactions and insignificant but periodic transactions which have no apparent economic or visible lawful purpose;

(d) “Transaction” includes:

- (i) opening an account, issuing a passbook, renting a safe deposit box, entering into a fiduciary relationship or establishing any other business relationship, whether electronically or otherwise;
- (ii) one-off transaction means any transaction other than one carried out in the course of an existing business relationship; and
- (iii) a proposed transaction.

(e) “Exempt transaction” means a wire transfer from one financial institution to another where both the originator and beneficiary are financial institutions acting on their own behalf, which is exempted from the provisions of the Financial Obligations Regulations, 2010,

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<sup>1</sup> 33 POCA 55(3C) – a large transaction means a transaction, the value of which is ninety five thousand dollars or such other amount as the Minister may by Order prescribe.

## REPORTING FINANCIAL INSTITUTIONS/LISTED BUSINESSES

**3.1** Section 55(3) of the POCA requires the following financial institutions and listed business to report suspicious transaction/activities to the FIU:

### **Financial Institutions**

- a Bank licensed under the Financial Institutions Act Ch. 79:09;
- a Financial Institution licensed under the Financial Institutions Act Ch. 79:09;
- a Building Society registered under the Building Societies Act Ch. 33:04;
- a Society registered under the Co-operative Societies Act Ch. 81:03;
- an Insurance company registered under the Insurance act Ch.84:01;
- a person licensed under the Securities Industry Act Ch. 83:02 as a dealer or investment advisor;
- a Person licensed under the Exchange Control Act Ch. 79:50, to operate an Exchange Bureau;
- a Person who is registered to carry on Cash Remitting services under the Central bank Act Ch. 79:02;
- a Person who carries on Postal Service;
- an entity providing Mutual Funds;
- Development Banks, Trust Companies, Mortgage Companies;
- Any other person declared by the Minister by Order, subject to negative resolution of Parliament to be a financial institution for the purpose of the POCA

### **3.2 Listed Businesses:**

- Real Estate;
- Motor Vehicle Sales (Ch. 48:01);
- Money or Value Transfer Services;
- Gaming House registered under the Gambling and Betting Act Ch. 11:19;
- Pool Betting registered under the Gambling and Betting Act Ch. 11:19;
- National Lotteries On-Line Betting Games Lotteries operated in accordance with the National Lotteries Act Ch. 21:04;
- Jewellery, a business licensed under the Precious Metals and Precious Stones Act Ch. 84:06;
- A Private Members' Club within the meaning of the Registration of Clubs Act Ch. 21:01;

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- An Accountant, an Attorney-at-Law or other Independent Legal Professional (when carrying out certain activities on behalf of their clients);
- An Art Dealer;
- Trust and Company Service Provider (when carrying out certain activities on behalf of their clients).

Note: No information or other matter required to be reported under section 55 (3) shall be treated as coming to an attorney at law in privileged circumstances if it is communicated or given with a view to furthering any criminal purpose.

**STR-RS/1/2011** can help Reporting Entities meet your obligation to report suspicious transaction/activities (STR/SARs) to the FIU.

## HOW TO IDENTIFY A SUSPICIOUS TRANSACTION/ACTIVITY

- 4.1** As the reporting financial institution or listed business, you have to assess whether there are reasonable grounds to suspect that a transaction/activity is related to money laundering offence or a terrorist activity financing offence. Transactions may give rise to reasonable grounds to suspect that they are related to money laundering or a terrorist activity financing offence regardless of the sum of money involved. ***There is no monetary threshold for making a report of a suspicious transaction.***

A suspicious transaction/activity may involve several factors that may seem individually insignificant, but together may raise suspicion that the transaction/activity is related to the commission of a money laundering offence or to the financing of terrorism. A transaction/activity may be connected to money laundering when you think that it (or a group of transactions) raises questions or gives rise to discomfort, apprehension or mistrust. The context in which the transaction occurs is a significant factor in assessing suspicion. This will vary from business to business and from one client to another. As a reporting entity (*financial institution or listed business*), you should evaluate transactions in terms of what seems appropriate and is within normal practices in your particular line of business.

An assessment of suspicion should be based on a reasonable evaluation of relevant factors including the knowledge of the customer's business, financial history, background and behaviour. Remember that behaviour is suspicious, not people. Also, it could be the consideration of many factors—not just one factor—that will lead you to a conclusion that there are reasonable grounds to suspect that a transaction is related to the commission of a money laundering offence, a terrorist activity financing offence, or any other specified offence. All circumstances surrounding a transaction/activity should be reviewed.

The sections below contain information on indicators which is provided to help you in identifying a suspicious transaction.

#### 4.2 Indicators Relating to Terrorist Activity Financing

Indicators to help establish suspicion that a transaction may be related to financing of a terrorist activity mostly resemble those relating to money laundering although the financing of terrorism is normally effected before the commission of the crime. There are some small differences between money laundering and terrorist financing indicators. In fact, it is possible that a transaction could be related to both. For example, funds to be used for terrorist activity could be proceeds of criminal activity as well as from legitimate sources.

#### 4.3 Suspicious Transactions Indicators

- Transactions in which the parties are non-resident and their only purpose is a capital investment (they are not interested in living at the property they are buying)
- The client cannot provide sufficient evidence of identity
- Situations where the source of funds cannot be easily verified
- Situations where it is very difficult to verify customer information
- Frequent change of ownership of same property in unusually short time period with no apparent business, economic or other legitimate reason & between related persons.
- Client wants to re-sell Property shortly after purchase at a significantly different purchase price, without corresponding changes in market values in the same area.
- Client wishes to form or purchase a company whose corporate objective is irrelevant to the client's normal profession or activities, without a reasonable explanation.
- The client sets up shell companies with nominee shareholders and/or directors
- The client has companies with capital in the form of bearer shares.
- Client repeatedly changes Attorneys within a short period of time without any reasonable explanation.
- Client purchases property in names of other persons or uses different names on Offers to Purchase, closing documents and deposit receipts.
- Client deposits large amount of cash with you to make payments and investments on his behalf
- Client negotiates a purchase but wants to record a lower value on documents, paying the difference "under the table" ( inadequate consideration )
- Client's documents such as identification, income statements or employment are provided by an intermediary who has no apparent reason to be involved, (intermediary may be the real client)



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- Client gives power of attorney to a non-relative to conduct large transactions (same as above)
- Transaction involves legal entities and no relationship seen between the transaction and the business activity of the buying company, or the company has no business activity- shell company
- Client requests the firm to act as his agents in obtaining high sum bankers' drafts cashiers' cheques and other cash equivalent or near cash monetary instruments or in making wire transfers to and from other bank or financial institutions (anonymity)
- Divergence from the type, volume or frequency of transactions expected in the course of the business relationship

## HOW TO MAKE A

### SUSPICIOUS TRANSACTION/ACTIVITY REPORT (STR/SAR)

- 5.1** Once you have detected a fact that leads you to have reasonable grounds to suspect that a transaction is related to money laundering, proceeds of any crime or financing of activities related to terrorism, a suspicious transaction report (STR/SAR) must be sent to the FIU **as soon as possible** but in any event **within fourteen (14) days**. Reporting entities should ensure that internal systems do not lead to unnecessary delays in filing reports.

The STR/SAR must be completed using the prescribed form in the Third Schedule of the POCA giving all the relevant details. The information about the transaction and what led to your suspicion is important in completing the STR/SAR. Provide as many details as possible including anything that made you suspect that it might be related to money laundering, terrorist financing, or both. If you cannot make the distinction based on the information available, remember that it is the information about your suspicion that is important, not the distinction between money laundering and terrorist financing offences.

#### **Additional documents**

You should also enclose Photocopies copies of documents facilitating the transaction and identification of the party or parties to the transaction. Forms of evidence can be Identity Card, Drivers Permit, Passport and References from banks if available.

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**THE STR/SAR IS TO BE COMPLETED AFTER THE CUSTOMER LEAVES. IT MUST NOT BE COMPLETED IN THE PRESENCE OF THE CUSTOMER. THE CUSTOMER SHOULD NOT BE TOLD THAT A STR/SAR WOULD BE MADE OR HAS BEEN MADE TO THE FIU.**

The FIU will promptly acknowledge receipt of a STR or SAR.

### **HOW TO COMPLETE A SUSPICIOUS TRANSACTION REPORT/SUSPICIOUS ACTIVITY REPORT (STR/SAR) FORM**

- 6.1** This guidance is provided to assist financial institutions and listed business in preparing the revised Suspicious Transaction Report/Suspicious Activity Report (STR/SAR).

#### **General Guidelines**

All the fields on the STR/SAR form are mandatory. Insert "N/A" where item does not refer to you.

The space marked "*Your Reference No.*" at the top right hand corner of the STR/SAR form is for the inclusion of a consecutive numbering system adopted by the reporting entity for the filing of STR/SARs. All reports to the FIU should be serially numbered by you and that number should be written in this space.

Dates - Whenever dates are requested, they should be entered using the format "dd/mm/yy," where "mm" is the month, "dd" is the day, and "yy" is the year. Zero (0) should precede any single digit number. If the month or day is not available or unknown, enter zeros in the space for "mm" and "dd." For example, 00/01/11 indicates an unknown day in January 2011.

Numbers - Wherever information about monetary amounts is requested, the amounts should be entered using the format "\$0,000,000". (Round **UP**, to the nearest whole dollar.) All amounts should be reported in currency the transaction was conducted in (TT\$, USD, etc).

#### **Item 1**

- (a) Initial Report – If you are filing a report on the subject for the first time, check the box at the top of the report (line 1(a))
- (b) Corrected Report - If you are correcting a previously filed report, check the box at the top of the report (line 1(b)). Complete the report in its entirety and include the corrected information in the applicable boxes. Then describe the changes that are being made in Part VII, (Suspicious Activity Information/Explanation/Description), line (j).
- (c) Supplemental Report – If you have previously filed an initial report and the subject has conducted another suspicious transaction that requires a report being filed, check the box at the top of the report (line 1 (c)). Complete the report in its entirety.

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### **PART I -- REPORTING FINANCIAL INSTITUTION INFORMATION OR RELEVANT BUSINESS**

- Item 2** - Name of Financial Institution or person or company - You should enter the full legal [Trade] name of the financial institution (FI) or listed business (LB).
- Item 3** - Address of Financial Institution or person or company - Enter the street address of the FI or LB shown in Item 2. **A Post Office (P.O.) Box number must not be used only street address.**
- Item 4** - Address of Branch Office(s) where activity occurred - If the location of the suspicious activity is different from that provided in Item 3, enter the street address of the branch or office **where the activity occurred**. Otherwise, leave Item 4 blank. If the suspicious activity occurred at more than one branch, include this information in Part VII, Suspicious Activity Information/Explanation/Description.
- Item 5** - Asset size of Financial Institution or person or company engaged in a relevant business activity - Enter a dollar value of the total asset size (gross profit).
- Item 6** - If Institution or relevant business activity closed, date closed - If the FI has closed, enter the date of closure by using the method for entering dates described at the beginning of these Guidelines. [dd/mm/yy].
- Item 7** - Account Number(s) affected (if any) - Enter the numbers of any account(s) that were affected by the suspicious activity. If more than four accounts are affected, provide the additional account numbers in Part VII. If no account is affected, leave Item 7 blank. For each account listed indicate whether the account is still open or has been closed and the date.
- Item 8** - Have any of the Institution's or relevant business accounts related to this matter been closed? - If yes, check (a) and enter the account number(s) and enter the date of closure by using the method for entering dates described at the beginning of these Guidelines. [dd/mm/yy]. If no, check (b).

### **PART II -- SUSPECT INFORMATION**

**If no information about the Suspect is available, indicate in Part VII "Suspect Information Unavailable". This will alert the FIU that this information has not been inadvertently omitted.**

**Items 9, 10 and 11** - Name of Individual or Entity - If the suspicious activity involves an individual, enter his or her last name in Item 9, first name in Item 10 and middle initial in Item 11. If there is no middle initial, leave Item 11 blank. If both formal and alias names are established, enter the full legal name in Items 9, 10 and 11 and the alias name(s) in Part VII, the Narrative.

If the suspicious activity involves an organization (entity), enter its name in Item 9 and leave Items 10 and 11 blank. If the FI or LB has knowledge of a separate "trading as" name, in Part VII, the Narrative, also enter the individual or organization's name, followed by the phrase "T/A." and the name of the business. For example, *John R. Smith T/A Smith Auto Sales or Johnson Enterprises T/A PJ's Pizzeria.*

If there is more than one suspect you need to complete more than one Part II for the additional suspects. Attach additional copies of page 1 to report the additional suspects.

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- Item 12 - Address** - Enter the permanent street address to include any apartment or suite numbers of the person identified in Items 9, 10 and 11. If the individual or organization is from a foreign country, enter the foreign country address.
- Item 13 - Date of Birth** - If an individual is named in Items 9 - 11, enter his or her date of birth by using the method for entering dates described at paragraph 6.1. [dd/mm/yy]. If an organization, enter either in (a) the company or business registration number; (b) its VAT registration number or (c) Board of Inland Revenue (BIR) number.
- Item 14 - Telephone Number** - Enter the home telephone number, including the area code for the individual entered in Items 9 - 11. In 14(a) enter the cellular number, including the area code for the individual entered in Items 9 - 11.
- Item 15 - Telephone Number** - Enter the business telephone number, including area code of the individual or organization entered in Items 9 - 11.
- Item 16 - Occupation** - Fully identify the occupation, profession or business of the person on whose behalf the transaction(s) was conducted. *For example, secretary, shoe salesman, carpenter, attorney, housewife, restaurant owner, liquor store clerk, etc. Do not use non-specific terms such as merchant, self-employed, businessman, etc.*
- Item 17 - Forms of Identification for Suspect** - Check appropriate box for the form of identification provided by the suspect and use the lines provided to give specific data such as driver's license or passport number and issuing authority.  
For box d, "other," provide a brief explanation in the space provided. If more space is required, enter the information in Part VII.
- Item 18 - Relationship to Financial Institution** - Check each box that identifies the suspect relationship with the FI or LB. More than one box may be checked. If the "other" box is checked, provide a brief explanation on the adjacent blank space. If more space is required, enter the information in Part VII.

### PART III -- SUSPICIOUS TRANSACTION/ SUSPICIOUS ACTIVITY REPORT

- Item 19 - Date of suspicious transaction or activity** - Enter the first known date of suspicious transaction or activity using the instructions at the beginning of these Guidelines. If multiple or related activity is conducted by the individual during the reporting period, the FI or LB may report all activity on one SAR. Enter the date of the initial activity and the last occurrence date in Part VII of the form. (The first known date is a mandatory field.) [dd/mm/yy]
- Item 20 - Dollar amount involved** - Enter the dollar amount involved in the suspicious activity. If less than a full dollar is involved, round it to the next highest dollar. An aggregated total of all transactions for multiple or related suspicious activities by the same individual or organization within the same reporting period may be shown in this field. The break- out of this total may then be listed in Part VII.

### PART IV – (Deleted by Act No. 10 of 2009)

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### PART V – PREPARER INFORMATION

**Items 21 to 23** - Enter the name of the person who prepared the information. It would be extremely helpful if the individual identified in this section has specific knowledge of the underlying facts.

**Item 24** - Title - Enter the position in the FI or LB held by the preparer of the information.

**Item 25** - Phone Number - Enter a phone number, including area code, where the preparer can be reached.

**Item 26** - Date Prepared - Enter the date the STR/SAR was prepared in the format described at paragraph 6.1 . [dd/mm/yy].

### PART VI – CONTACT FOR ASSISTANCE (IF DIFFERENT THAN PREPARER OF INFORMATION IN PART V)

**Items 27 to 29** - Contact Person's Name - Enter the name of the person who can be contacted for additional information. It would be extremely helpful if the individual identified in this section has specific knowledge of the underlying facts.

**Item 30** - Title - Enter the contact person's title or occupation in the FI or LB.

**Item 31** - Phone Number - Enter a phone number, including area code, where the contact person can be reached.

**Item 32** - Institution - If the SAR is not being filed by the financial institution or listed business, enter the name of the government agency or organization.

### PART VII -- SUSPICIOUS ACTIVITY INFORMATION/EXPLANATION/DESCRIPTION

Part VII of the STR/SAR is **critical**. The care with which it is written may determine whether or not the described conduct and its possible criminal nature are clearly understood.

Provide a complete chronological account of what is unusual, irregular or suspicious about the transaction. The narrative should include the material indicated in the Form but you should also include any other information that you believe is necessary to better enable analysts to understand the transaction you are reporting. If necessary, continue the narrative on a copy of this page of the STR/SAR.

**Remember that any supporting documentation such as spreadsheets, photocopies of cancelled checks or other documents, surveillance photos, etc., must be retained at the financial institution.** Indicate in Part VII what documentation is being retained.

## **Mode of Submission of STR/SARs to the FIU**

**7.1** In accordance with regulation 6 of the FIU Regulations, 2011, financial Institutions and Listed Businesses are required to submit suspicious transaction/activity reports by Hand or by registered post under **Confidential Cover** in a **sealed .....**envelope addressed to:

Director

**Financial Intelligence Unit**

**Level 25, Tower D**

**International Waterfront Complex**

**1A Wrightson Road**

**Port of Spain**

**Trinidad and Tobago W.I.**

The FIU may specify additional modes which may be used by certain categories of financial institution and listed business for submitting STRs/SARs by Notification published in the Gazette and in two newspapers in daily circulation in Trinidad and Tobago.

**ADDITIONAL INFORMATION RELATING TO  
REPORTS MADE TO THE FIU**

**8.1 Request for further information**

The Director may, having regard to the intricacy of a case request for additional information from the reporting entity or from any other financial institution or listed business in order to facilitate the exercise of its powers under the Act.

**8.2 Tipping Off/ Confidentiality**

As a reporting entity, you are not allowed to inform anyone, including the client/customer, about the contents of a suspicious transaction/activity report or even that you have made such a report. It shall amount to an offence under the POCA and the FIU Act. As it is important not to tip your client off that you are making a suspicious transaction report, you should not request information that you would not normally request during a normal transaction.

**8.3 Immunity**

No criminal or civil proceedings may be brought against you for making a report in good faith concerning a suspicious transaction. This also applies if you are not required to submit a report to FIU, but decide to provide information voluntarily to FIU because of your suspicions of money laundering or financing of terrorist activity.

**8.4 Penalties**

There are penalties if you fail to meet the suspicious transaction reporting obligations. Failure to report a suspicious transaction could lead to on summary conviction, to a fine of TT\$500,000 and up to two years imprisonment and on indictment, to a fine of TT\$3,000,000 and up to seven years imprisonment.

**9. CONTACT DETAILS**

For any clarification or further information on this **STRRS1/2011**, please contact:-

**Financial Intelligence Unit  
Level 25, Tower D  
International Waterfront Complex  
1A Wrightson Road  
Port of Spain  
Trinidad and Tobago W.I.  
Telephone: (868) 625-8351  
Fax: (868) 627-7018  
Email: [fiutt@gov.tt](mailto:fiutt@gov.tt)**