



GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO

**FINANCIAL INTELLIGENCE UNIT**  
MINISTRY OF FINANCE



FIU REFERENCE: N/002/2019

**NOTICE TO FINANCIAL INSTITUTIONS AND LISTED BUSINESS TO SUBMIT  
SUSPICIOUS TRANSACTION/ACTIVITY REPORTS**

Financial Institutions and Listed Businesses are reminded of their **legal obligation to submit Suspicious Transaction/Activity Reports (STRs/SARs)** to the Financial Intelligence Unit of Trinidad and Tobago (“the FIU”) where they know or reasonably suspect that the funds used for the transaction are the proceeds of criminal conduct or related to the financing of terrorism.

The FIU draws your attention to the provisions of **Section 55A (1) of the Proceeds of Crime Act, Chap. 11:27 as amended (“the POCA”)** which state:

*“Where a financial institution or listed business knows or has reasonable grounds to suspect that funds being used for the purpose of a transaction... are the proceeds of criminal conduct, the financial institution or listed business shall make a suspicious transaction or a suspicious activity report to the FIU...”*

And the FIU further draws your attention to the provisions of **Section 22C (3) of the Anti-Terrorism Act, Chap. 12:07 as amended (“the ATA”)** which state:

*“Where a financial institution or listed business knows or has reasonable grounds to suspect that funds are linked or related to, or to be used for terrorism, terrorist acts, or by the terrorist organisations or those who finance terrorism, the financial institution or listed business shall make a suspicious transaction or suspicious activity report to the FIU...”*

The transactions referred to in **Section 55(3) of the POCA** and **Section 22C (3) of the ATA** include:

- complex, unusual large transactions; and
- unusual patterns of transactions and insignificant but periodic transactions which have no apparent economic or visible lawful purpose;
- both completed and attempted suspicious transactions; and
- any suspicious transactions regardless of the amount.

To assist you in meeting this obligation the FIU has developed “[A Guidance Note on Suspicious Transaction/Activity Reporting Standards](https://www.fiu.gov.tt/wp-content/uploads/Guidance-Note-on-STR-SAR-Reporting-Standard-October-02-2019.pdf)” accessible at the FIU website [www.fiu.gov.tt](http://www.fiu.gov.tt) or type (<https://www.fiu.gov.tt/wp-content/uploads/Guidance-Note-on-STR-SAR-Reporting-Standard-October-02-2019.pdf> )

Any person who knowingly contravenes or fails to comply with the provisions of **Section 55A (1) of the POCA and Section 22C (3) of the ATA** commits an offence and is liable:

- on summary conviction, to a fine of five hundred thousand dollars and to imprisonment for a term of two years; and
- on conviction on indictment, to a fine of three million dollars and imprisonment for a term of seven years apply under the POCA and the ATA.

A list of suspicious indicators, which is not exhaustive is for your attention (see Appendix A).

Dated December 9, 2019.

**Nigel Stoddard**  
Director (Ag.)  
Financial Intelligence Unit of Trinidad and Tobago

**1. PERSONAL TRANSACTIONS**

- Client has no employment history but makes frequent large transactions or maintains a large account balance.
- Client makes one or more cash deposits to a general account of foreign correspondent bank (i.e., flow-through account).
- Client runs large credit card balances and pay using cash deposits.
- Client visits the safety deposit box area immediately before making cash deposits.
- Client credit and debit cards used in international destinations using cash deposits to fund account(s).
- Client has numerous accounts and deposits cash into each of them with the total credits being a large amount.
- Client deposits large endorsed cheques in the name of a third-party.
- Client frequently makes deposits to the account of another person who is not an employer or family member.
- Client frequently exchanges currencies where the client profile does not support this activity.
- Client frequently makes automatic banking machine deposits just below the reporting threshold.
- Client's access to the safety deposit facilities increases substantially or is unusual in light of their past usage.
- Many unrelated individuals make payments to one account without rational explanation.
- Third parties make cash payments or deposit cheques to a client's credit card.
- Client has frequent deposits identified as proceeds of asset sales (Land, property, vehicles, vessels, shares, etc.) but assets cannot be substantiated.
- Client acquires significant assets and liquidates them quickly with no explanation.
- Client acquires significant assets and encumbers them with security interests that do not make economic sense.

**2. CORPORATE AND BUSINESS TRANSACTIONS**

Some businesses may be susceptible to the mixing of illicit funds with legitimate income. This is a very common method of money laundering. These businesses include those that conduct the majority of their business in cash, such as restaurants, supermarkets, Hardware Stores, etc. **Unusual or unexplained increases in cash deposits made by those entities may be indicative of suspicious activity.**

- Accounts are used to receive or disburse large sums but show virtually no normal business-related activities, such as the payment of payrolls, invoices, etc.
- Accounts have a large volume of deposits in bank drafts, cashier's cheques, money orders or wire transfers/electronic funds transfers, which is inconsistent with the client's business.
- Accounts have deposits in combinations of monetary instruments that are atypical of legitimate business activity.
- Accounts have deposits in combinations of cash and monetary instruments not normally associated with business activity.
- Business does not want to provide complete information regarding its activities.
- Financial statements of the business differ noticeably from those of similar businesses.
- Representatives of the business avoid contact with the branch as much as possible, even when it would be more convenient for them.
- Deposits to or withdrawals from a corporate account are primarily in cash rather than in the form of debit and credit normally associated with commercial operations.
- Client maintains a number of trustee or client accounts that are not consistent with that type of business or not in keeping with normal industry practices.
- Client pays in cash or deposits cash to cover bank drafts, money transfers or other negotiable and marketable money instruments.
- Client purchases manager's cheques with large amounts of cash.
- Client deposits large amounts of currency wrapped in currency straps.
- Client makes a large volume of seemingly unrelated deposits to several accounts and frequently transfers a major portion of the balances to a single account at the same bank or elsewhere.

- Client makes a large volume of cash deposits from a business that is not normally cash-intensive.
- Client makes large cash withdrawals from a business account not normally associated with cash transactions.
- Client consistently makes immediate large withdrawals from an account that has just received a large and unexpected credit domestically or internationally.
- Client makes a single and substantial cash deposit composed of many large bills.
- Small, one-location business makes deposits on the same day at different branches that does not appear practical for the business.
- There is a substantial increase in deposits of cash or negotiable instruments by a company offering professional advisory services, especially if the deposits are promptly transferred.
- There is a sudden change in cash transactions or patterns.
- Client suddenly purchasing bonds, shares or other similar instruments with cash.
- There is a marked increase in transaction volume on an account with significant changes in an account balance that is inconsistent with or not in keeping with normal business practices of the client's account.
- Asset acquisition is accompanied by security arrangements that are not consistent with normal practice.
- Unexplained transactions are repeated between personal and commercial accounts.
- Activity is inconsistent with stated business.
- Account has close connections with other business accounts without any apparent reason for the connection.
- Activity suggests that transactions may offend securities regulations or the business prospectus is not within the requirements.
- A large number of incoming and outgoing wire transfers/electronic funds transfers take place for which there appears to be no logical business or other economic purpose, particularly when this is through or from locations of concern, such as countries known or suspected to facilitate money laundering activities.

### **3. CASH TRANSACTIONS**

- Client conducts a transaction for an amount that is unusual compared to amounts of past transactions.
- Client starts conducting frequent cash transactions in large amounts when this has not been a normal activity for the client in the past.
- Client presents notes that are packed or wrapped in a way that is uncommon for the client.
- Client deposits musty or extremely dirty bills.
- Client frequently exchanges small bills for large ones.
- Client uses notes in denominations that are unusual for the client, when the norm in that business is much smaller denominations.
- Client makes cash transactions of consistently rounded-off large amounts
- Client consistently makes cash transactions that are just under the reporting threshold amount in an apparent attempt to avoid the reporting threshold.
- Client consistently makes cash transactions that are significantly below the reporting threshold amount in an apparent attempt to avoid triggering the identification and reporting requirements.
- Client presents uncounted funds for a transaction. Upon counting, the transaction is reduced to an amount just below that which could trigger reporting requirements.
- Client frequently purchases traveller's cheques, foreign currency drafts or other negotiable instruments with cash when this appears to be outside of normal activity for the client.
- Client asks you to hold or transmit large sums of money or other assets when this type of activity is unusual for the client.
- Shared address for individuals involved in cash transactions, particularly when the address is also for a business location, or does not seem to correspond to the stated occupation (for example, student, unemployed, self-employed, etc.)
- Stated occupation of the client is not in keeping with the level or type of activity (for example a student or an unemployed individual makes daily maximum cash deposits/withdrawals at multiple locations over a wide geographic area).

**4. ECONOMIC PURPOSE**

- Transaction seems to be inconsistent with the client’s apparent financial standing or usual pattern of activities.
- Transaction appears to be out of the ordinary course for industry practice or does not appear to be economically viable for the client.
- Transaction is unnecessarily complex for its stated purpose.
- Activity is inconsistent with what would be expected from declared business.
- Transaction involves non-profit organisation (NPO) for which there appears to be no logical economic purpose or where there appears to be no link between the stated activity of the organisation and the other parties in the transaction.

**5. LOANS TRANSACTIONS**

If you are involved in the business of providing loans or extending credit to individuals or corporations, consider the following indicators.

- Client suddenly repays a problem loan unexpectedly.
- Client’s employment documentation lacks important details that would make it difficult for you to contact or locate the employer.
- Client has loans to or from offshore companies that are outside the ordinary course of business of the client.
- Client offers you large dollar deposits or some other form of incentive in return for favourable treatment on loan request.
- Client asks to borrow against assets held by another financial institution or a third party, when the origin of the assets is not known.
- Loan transactions are entered into in situations where the client has significant assets and the loan transaction does not make economic sense.
- Customer seems unconcerned with terms of credit or costs associated with completion of a loan transaction.

For additional, AML/CFT Guidelines with suspicious indicators for Financial Institutions supervised by the Central Bank of Trinidad and Tobago and the Trinidad and Tobago Securities Exchange Commission please visit the following websites:

- i. [www.central-bank.org.tt](http://www.central-bank.org.tt)
- ii. [www.ttsec.org.tt](http://www.ttsec.org.tt)

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