

Suspicious Transactions & Activities FAQs

1Q. Where can a reporting entity look to find indicators/red flags of suspicious transactions or activities?

A. Section 56 and Schedule 3 of the Anti-Money Laundering & Terrorist Financing Code of Practice, 2008.

2Q. What is a red flag related to a customer's profile or behaviour?

A. Where there is great reluctance by the customer to provide the information that is requested.

3Q. What is a red flag related to financial transactions?

A. Where a client uses a means of payment that is unusual, such as making too many cash payments with small denominations or making payments in a foreign exchange that is used infrequently.

4Q. What is a red flag related to the real estate sector?

A. Where a client does not want to put his/her name on any document that would connect them to the property or uses different names on closing documents and deposit receipts.

5Q. What is a red flag related to dealers in precious metals and stones/Jewellers?

A. Where a customer purchases a very high-priced piece of jewelry or precious metal with cash only.

6Q. What is a red flag related to Non-Profit Organisations?

A. Where the donor's donation does not match the donor's known source of funds and wealth.

7Q. What is a red flag related to Legal Practitioners?

A. Where there is an absence of documentation to support the client's story, previous transactions or company activities.

8Q. What is a red flag related to Accountants?

A. Where there are unauthorised or improperly recorded transactions or inadequate paper trails.

9Q. Does the mere presence of a red flag(s) indicate reasonable grounds to suspect money laundering/terrorist financing/proliferation financing activity?

A. Not necessarily. If there are red flags present during a transaction or series of transactions, then a business, entity or organisation should apply closer scrutiny to the transaction or series of transactions.



Red Flags

for

Suspicious Transactions

or

Suspicious Activities

