

SUSPICIOUS TRANSACTION REPORTING FAQS

FINANCIAL INSTITUTIONS



1Q: Who is obligated to file a report with the Financial Investigation Agency?

A: Financial Institutions.

2Q. Which pieces of legislation requires reporting entities to file a report with the FIA?

A. Proceeds of Criminal Conduct Act, 1997, as amended; the Drug Trafficking Offences Act, 1992, as amended; Anti-Money Laundering and Terrorist Financing Code of Practice, 2008; Anti Money Laundering Regulations, 2008; Counter-Terrorism Act, 2021 and Proliferation Financing (Prohibition) Act, 2021.

3Q. What is a suspicious activity?

A. Suspicious activities are acts that may develop into financial transactions. This could be where a potential client is hesitant to provide documents necessary to conduct customer due diligence or the use of false identification by the customer.

4Q. What is a suspicious transaction?

A. Suspicious transactions are financial transactions whereby there are reasonable grounds to suspect that the funds involved in the transaction are related to the proceeds of criminal conduct.

5Q. What are persons who are required to file a report with the FIA referred to as?

A: Reporting entities

6Q. What will assist a reporting entity in identifying or recognising suspicious activities or transactions?

A. The key component in a reporting entity being able to identify or recognise suspicious activities or suspicious transactions is knowing and understanding their customers, clients and donors.

7Q. What is the form used to file suspicious activities and suspicious transactions called?

A. Suspicious Transaction Report

8Q. When should an activity or transaction be monitored closely?

A. Any activity or transaction that creates some feeling of uneasiness or wariness should be monitored closely.

9Q. Where can a reporting entity look to find indicators/red flags of suspicious activities or suspicious transactions?

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

10Q. How should transactions or activities be evaluated?

A. Transactions or activities should be evaluated based on what seems appropriate and within normal practices in each respective line of business and based on the knowledge of its clientele.

11Q. What should happen if there are reasonable grounds to suspect that a transaction or activity is related to the attempted commission or commission of a money laundering/terrorist financing/proliferation financing offence?

A. You are required to file a suspicious transaction report with the FIA as soon as the suspicious activity or suspicious transaction is detected.

12Q. Should a suspicious transaction report also be filed with the FIA in instances where the reporting entity is uncertain as to whether the information substantiates a suspicion?

A. Yes, a suspicious transaction report should also be filed in such instances. Such information should be provided in the report to the FIA.

13Q. Who should file the suspicious transaction report with the FIA?

A. The Money Laundering Reporting Officer ("MLRO") should file. Outside of this, any natural person who, during their employment, has reasonable grounds to suspect that a person is engaged in money laundering/terrorist financing/proliferation financing should file.

14Q. What are the three types of disclosures to choose from on the STR form when making a filing with the FIA?

A. There are three types of disclosures to choose from; 1) Initial Report, 2) Supplemental Report and 3) Correction Report.

15Q. What information should I put in the suspicious transaction report?

A. All of the applicable fields on the form should be filled in. If a field does not apply, just insert N/A in the field.

16Q. When should the initial report option on the STR form be selected?

A. The initial report option should be selected if a report is being filed on the person/entity of interest for the first time.

17Q. Will a reporting entity be held liable for filing a suspicious transaction report with the FIA?

A. No. A reporting entity will not be held liable for filing a suspicious transaction report with the FIA. This protection even extends to information provided voluntarily to the FIA due to suspicions of financial crimes, such as money laundering.

18Q. Is it an offence if I know or suspect that another person is engaged in criminal activity, such as money laundering, but I decide not to file a suspicious transaction report with the FIA?

A. Yes. A person commits an offence if he/she knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in financial crimes such as money laundering, but chooses not to disclose such information via a suspicious transaction report to the FIA.

19Q. What is the penalty for failing to comply with the suspicious transaction reporting obligations?

A. The penalties can be criminal or administrative. If a fine is imposed as a criminal penalty, the amount can range from \$150,000 to \$500,000. If imprisonment is imposed, the length of time for imprisonment ranges from three to five years.

If a fine is imposed as an administrative penalty, the amount that will be imposed for failure to comply with the suspicious transaction reporting obligations is \$70,000.

