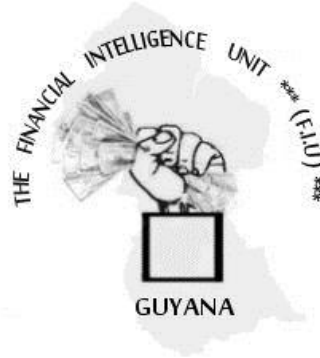

FINANCIAL INTELLIGENCE UNIT



SUSPICIOUS TRANSACTION REPORT

GUIDELINE NO. 1 OF 2021

(UPDATED MARCH 2021)

Issued in accordance with Section 9(4)(e)(iv) of the AML/CFT Act 2009

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Table of Contents

Background.....	2
Main Purpose and Objectives	2
Understanding the ‘Suspicious Transaction Reporting’ Obligation	4
Who is responsible?.....	4
Who is a reporting entity (RE)?	5
Detecting and Reporting a Suspicious Transaction	5
What is a transaction?	5
What is a suspicious transaction?.....	5
What does ‘suspects’ or ‘has reasonable grounds to suspect’ mean in the context of submitting a STR?	6
What do you mean by ‘Facts, Context and Indicators’ in relation to a STR?	8
How to identify a suspicious transaction?	8
What should be contained in a Suspicious Transaction Report?	9
When must a STR be submitted?.....	11
Where to report?	11
What legal protection exists for submission of STRs?	12
What are the possible legal implications for unlawful disclosure of a STR?	13
What are some post reporting expectations for a RE?.....	14
Conclusion	14
Annex A - Categories of Reporting Entities.....	16
Annex B - Lists of Unusual Activities/Red Flags /Indicators	19
Annex C - Suspicious Transaction - Standard Report Form.....	24

Background

This guideline updates the Financial Intelligence Unit's Guideline No 1 of 2013 on Suspicious Transaction Reports for Reporting Entities (REs). Following the issuance of Guideline No. 1 of 2013, several amendments were made to the Anti-Money Laundering and Countering the Financing of Terrorism (AMLCFT) Act No. 13 of 2009, many of which touched on and were related to the AMLCFT obligations of REs.

Coupled with these legislative changes, is the need for regulators and REs to continue to manage and mitigate risks associated with money laundering, terrorist financing and related crimes, posed by criminal enterprises. Criminals and their associates constantly devise new and innovative methods, including the use of advanced technology, to conceal their illegal proceeds through many financial products and services offered by legitimate businesses. REs must therefore continuously endeavour to strengthen their AMLCFT programmes to protect their businesses and aid in the fight against money laundering, terrorist financing and related crimes.

This document is intended to provide updated guidance, on the reporting obligation and expectations of REs. It is not intended to replace the provisions set out under the AMLCFT Act or its Regulations. It must therefore be read in conjunction with those documents.

Main Purpose and Objectives

The main purpose of this guideline is to assist REs with the implementation or enhancement of their obligation to report suspicious transaction in accordance with the AMLCFT Act.

The submission of high-quality suspicious report goes a far way in achieving the objectives of the AMLCFT Act, which include, among other things:

- to provide for the establishment and management of a Financial Intelligence Unit;
- to provide for unlawful proceeds of all serious offences to be identified, traced, frozen, seized and forfeited;

- to provide for comprehensive powers for the prosecution of money laundering, terrorist financing and other financial crimes, and the forfeiture of the proceeds of crime and terrorist property;
- to provide for civil forfeiture of assets and for matters connected therewith; and
- to require REs to take preventative measures to help combat money laundering and terrorist financing.

To achieve these objectives the AMLCFT Act places a key obligation on REs to submit Suspicious Transactions Reports (STRs) to the Financial Intelligence Unit (FIU). Section 18(4) of the AMLCFT Act (as amended) states as follows:

Whenever a reporting entity suspects or has reasonable grounds to suspect that funds, a transaction or attempted transaction are connected to the proceeds of criminal activity, money laundering of terrorist financing offences or funds suspected of being linked, or related to or to be used for terrorist acts or by terrorist organisations it shall as soon as possible but not later than three (3) days after forming that suspicion and wherever possible before the transaction is carried out-

- (a) take reasonable measures to ascertain the purpose of the transaction, the origin and ultimate destination of the funds involved and the identity and address, of any ultimate beneficiary; and*
- (b) prepare a report of the transaction in accordance with subsection (8) and send the report to the Financial Intelligence Unit in such other form as the Director, may approve.*

The FIU, through this guideline, has sought to simplify the relevant provisions of the AMLCFT Act relating to this reporting obligation. It also provides some best practices for REs to consider for implementation in their AMLCFT Compliance programmes. The aim is to enable them to submit high quality suspicious transaction reports in a timely manner to the FIU.

Understanding the ‘Suspicious Transaction Reporting’ Obligation

Who is responsible?

1. Section 18(4) of the AMLCFT Act places the overall responsibility on the RE’s (i.e. the Owner(s) and/or Director(s)) to establish and maintain an effective reporting system. This is to ensure that suspicious transactions reports (STRs) are promptly submitted to the FIU. Whilst the frontline officers of a RE are the actual links between the customer and what is ultimately reported, the responsibility to ensure there are adequate policies and procedures in place rests on the RE concerned.
2. It must be noted, (especially for larger REs), that while the overall responsibility for implementing and maintaining an effective suspicious transaction reporting system rests with the RE concerned, the AMLCFT Compliance Officer (CO) must be able to act independently concerning the decision to file STRs¹. The requirement for the independence of the CO is to ensure that reports regarding suspicious transaction are made in a manner that is free from undue influence by the owner(s) or board of directors, or any member or the board, or senior management of a REs (as the case may be).
3. The suspicious transaction reporting process must be free from any form of ‘conflict of interest’, and allows for the CO to be able to file suspicious reports even where a transaction involves or relates to an owner(s) or director or senior manager; or even where a family member, associates or friends or other close relationships may be the subject of the STR.
4. The CO is not required to disclose to the owner or board of directors or senior management the *subject or subjects* or related information of a STR. The CO should not be pressured or victimized for failure or refusal to make such disclosure. The CO may, however, provide to the owner(s) or board of directors or senior management general information on statistics related to the effectiveness of the reporting system, policies and procedures, for example, the number of suspicious reports filed for a given period), or how effective the system, policies and procedures are working or similar general information on the reporting system.

¹ See Regulation 11 and 14 of the AMLCFT Regulations of 2010

Who is a reporting entity (RE)?

5. A RE is any person (i.e. natural or legal) whose regular occupation or business is the carrying on of:
 - (a) any activity listed in the First Schedule of the AMLCFT Act 2009; or
 - (b) any other activity defined by the Minister responsible for Finance as such by an order published in the Gazette amending the First Schedule.

See Annex A for a copy of the First Schedule of the AMLCFT Act 2009.

Detecting and Reporting a Suspicious Transaction

What is a transaction?

6. A transaction is any kind of business engagement, interaction, agreement or other business dealing between a RE and a customer or potential customer. It may include negotiations or discussions that may or may not result in an actual dealing but does not include basic inquiries. The transaction must be something that can be reported in terms of the reportable details set out in the STR Form (**see Annex B**), but it is not essential that all such details be available to the RE before there is a reporting obligation. The RE should complete the STR Form under as many headings as possible from the information ordinarily available to the RE.

What is a suspicious transaction?

7. As a general principle, any transaction that causes a RE to have a feeling of apprehension or mistrust about the transaction should be considered to be suspicious transaction, even though it may not eventually reach the threshold for the escalation of a STR.
8. It may involve transactions relating to funds or assets derived from legal or illegal activities; intended to commit an illegal activity or being conducted to hide or disguise funds or assets obtained from illegal activities. A transaction being conducted to hide or conceal illegally obtained funds or assets may include, but is not limited to, the ownership, nature, source, location or control of such funds or assets. This may all be part of a plan to violate or evade laws or regulations relating to the reporting requirements.

9. To enable the detection of suspicious activities or transactions, a RE is required to have adequate and effective customer due diligence (CDD) measures (these are measures to identify and verify the identity of all its customers).
10. A RE's CDD measures also helps to prevent the misuse of the RE's products and services by criminals or their associates.
11. Another fundamental component of a RE's CDD programme is the requirement to implement and apply a money laundering (ML) and terrorist financing (TF) risk assessment and risk mitigation' programme². This will help a RE to obtain a deeper understanding of the level of risks associated with each customer and where the risks appear high, the RE can apply enhanced due diligence (EDD) measures. The application of EDD will allow for the collection of additional information which can be compiled as part of the information in support of filing a STR.

What does 'suspects' or 'has reasonable grounds to suspect' mean in the context of submitting a STR?

12. The word 'suspects' and the phrase 'has reasonable grounds to suspect' are the legal thresholds³ which are required to be satisfied or met by a RE before it submits a STR to the FIU⁴.
13. In interpreting these technical concepts, a RE may consider the following meanings, as a general guide, without prejudice to a reporting entity's independent legal advice or interpretations of these terms:
 - (i) A suspicion⁵ is 'a feeling that something is unusual, but there is no facts to confirm the suspicion, based on the facts and context of the transaction or relevant indicators to support that feeling, or to reasonably conclude that the threshold of 'reasonable grounds' has been reached. A suspicion usually prompts further assessment of the transaction to see if there is any additional information that would support or confirm that suspicion.

² See Section 19(1) AMLCFT Act 2009

³ The State of mind/ a degree of satisfaction (having regard to the facts, circumstances surrounding the funds/transactions).

⁴ See Section 18(4) of the AMLCFT Act Cap. 10:11.

⁵ For more detailed legal definitions on these terms, the RE may consider cases such as R.V. Chehil, 2013 SCC 49; R.V DaSilva [2006] EWCA Crime 1654; in general, the courts have defined "suspicion" as a possibility, which is more than fanciful, that the relevant facts exist.

- (ii) 'Reasonable grounds to suspect' means there is a possibility or probability that funds, a transaction or attempted transaction are connected to proceeds of crime, a money laundering or terrorist financing offence, or linked or related to, or to be used for a terrorist acts or by a terrorist organization. It is more than a suspicion based upon reasonable and probable grounds. It is not necessary for the RE to verify the facts, context or indicators that led to its suspicion nor to prove that a ML/TF offence has occurred to reach this threshold. It requires a step higher than a suspicion, but less than 'reasonable grounds to believe'.
- (iii) 'Reasonable grounds to believe' means that there are verified facts or information or sufficient evidence to support the suspicion or probability that the funds, transaction, or attempted transaction are connected to the proceeds of criminal activity, money laundering of terrorist financing offences or funds suspected of being linked, or related to or to be used for terrorist acts or by terrorist organisations.
- (iv) While section 18(4) of the AMLCFT Act Cap. 10:11, does not require the RE to reach the threshold of having 'reasonable grounds to believe', there may be situations where a reporting entity may be able to verify facts, information or may possess evidence relating to a suspicious transaction or activity. In such case, the RE may be said to have reached a higher threshold than is required by the AMLCFT Act Cap. 10:11.
- (v) Where a RE entity is satisfied that either of the thresholds indicated at (i) or (ii) above is reached, and a decision is made to file a STR with the FIU, an explanation, including, the facts and circumstances surrounding the funds, transaction, or attempted transactions, should be provided in the relevant section of the STR Form when submitting the STR.
- (vi) In situations where a RE reaches the threshold of 'reasonable grounds to believe', such information should also be provided in the relevant section of the STR being submitted to the FIU.

What do you mean by 'Facts, Context and Indicators' in relation to a STR?

- (v) *'Fact'* refers to an event, action, occurrence or element that exists or is known to have happened or existed (such as: date, time, location, account type, accounts details, particular products, customer/client history, information known to the RE relating to ongoing investigations, convictions of the Customer/client, etc.). **It does not include opinions.**
- (vi) *'Context'* refers to the information that clarifies the circumstances or explains a situation or transaction. This helps to clarify situations that are suspicious or where reasonable grounds for suspicion exist, in a given situation. Understanding the context of a situation may be aided through: a general awareness of events in an individual's or entity's business or activities, for example, the CDD records; the customer's risk profile; and observations of the customer's conduct or behaviour during a business transaction or series of transactions.
- (vii) It must be noted that a transaction may not appear suspicious in and of itself, however, a review of additional contextual elements surrounding the transaction may create a suspicion. Conversely, the context of a particular transaction, which may have seemed unusual or suspicious from the onset, could lead to the reassessment of a client's current and past transactions and conclude that they are reasonable in that circumstance.
- (viii) An *'Indicator'* is a 'red flag' that can initiate suspicion and indicate that something may be unusual without a reasonable explanation. 'Red flags' typically stem from one or more facts, behaviour patterns, or other factors that identify irregularities related to a client's or customer's transactions. These transactions often present inconsistencies with what is expected or considered normal.

How to identify a suspicious transaction?

16. As indicated above, suspicious transactions are likely to involve a number of factors which together raise a suspicion in the mind of the officer, that a transaction may be connected to money laundering, terrorist financing or the proceeds of a crime or as otherwise stated under Section 18(4) AMLCFT Act. Some factors that a RE should pay special attention to when assessing whether a transaction is suspicious, include, but are not limited to, the following:

- (a) All complex, unusual large business transactions, and unusual patterns of transactions, whether completed or not, that have no apparent economic or lawful purpose and are inconsistent with the profiles of the persons carrying out such transactions;
 - (b) Business relations and transactions with persons in jurisdictions that do not have adequate systems in place to prevent or deter money laundering or terrorist financing (e.g. countries listed on FATF Statements or other similar lists).
 - (c) Electronic funds transfer that do not contain complete originator information.
17. A RE may also consider including as part of its AMLCFT programmes, a system for automated or regular alerts, notification or warnings. This system would be helpful to detect the following:
- a) The presentation of suspicious documents (for example, identification document that looks altered or forged);
 - b) The presentation of suspicious personal information (such as an invalid address or phone number);
 - c) The unusual use of, or other suspicious activity related to a sudden change in a customer's spending patterns or credit utilization);
 - d) Notices and/or negative media reports on customers or reports from victims of crimes, identity theft, information from law enforcement authorities, or other persons regarding possible criminal activities.

A list of 'Red Flags/Indicators'/unusual activities can be found in Annex B of this guide.

What should be contained in a Suspicious Transaction Report?

18. A STR should contain all relevant information relating to the suspicious transaction or activity along with other relevant details about the customer⁶. These may include, but are not limited to, the following particulars:

⁶ See Section 18(8) which makes reference to Section 18(4)(a) and Section 16. Section 16 relates to record keeping obligation.

- i. The purpose of the transaction; the origin and ultimate destination of the funds or assets involved, the identity and address of any ultimate beneficiary;
- ii. Relevant information relating to the customer and the suspicious transaction/ activity must be kept and maintained as per Section 16 of the AML/CFT Act. This includes, but is not limited to, the name, date of birth, address, occupation, where appropriate, business or principal activity of each person conducting the transaction or on whose behalf the transaction was being conducted, as well as the method used by the RE to verify the identity of each person;
- iii. The nature and date of the transaction;
- iv. The type of currency involved;
- v. The type and identifying number of any account with the RE in the transaction;
- vi. If the transaction involved a negotiable instrument other than currency, the name of the drawer of the instrument, the name of the institution on which it was drawn, the name of the payee, if any the amount and date of the instrument, the number, if any, of the instrument and details of any endorsements appearing on the instrument; and
- vii. Copies of any other records or transaction that may be considered as relevant to support the analysis process by the FIU.
- viii. The name and address of the RE, and of the officer, employee or agent of the RE who prepared the report.

19. In order to ensure consistency with respect to the initial information required to be submitted by REs in relation to a STR, the FIU has developed a standard STR form for REs to complete for submitting a suspicious report.

20. The STR Form⁷ comprises five parts, each of which outlines and/or explains the necessary information to be provided by the RE. The Form is self-explanatory, a copy of which is included in Annex B below.

When must a STR be submitted?

21. A STR must be submitted to the FIU (as outlined above) whenever a RE suspects or has reasonable grounds to suspect that funds, a transaction or attempted transaction are connected to the proceeds of a criminal activity, money laundering or terrorist financing offences or funds suspected of being linked, or related to or to be used for terrorist acts or by terrorist organisations. **The STR must be submitted as soon as possible but not later than three (3) days after forming the suspicion.**

Where to report?

22. REs must complete the STR Form (revised), see template in Annex C below. The new form is also available and can be downloaded from the FIU website at <http://fiu.gov.gy>.

23. There are two methods by which a STR can be submitted:

- (i) The FIU E-reporting Platform which can be accessed via the FIU's website at www.fiu.gov.gy or
- (ii) Manually (for those REs which have not yet registered on the FIU's E-Reporting Platform) addressed and delivered to the FIU's Office addressed to:

**The Director
Financial Intelligence Unit (FIU)
Ministry of Finance Compound
49 Main & Urquhart Streets
Georgetown, Guyana**

⁷ STR Form amended to include "Provide - A clear indication of the serious (predicate) offence or criminal activity the reporting entity **suspects** or **has reasonable to suspect** or **believe**, the funds, transaction, or attempted transaction are connected to or intended to be committed; or the intended terrorist act or terrorist organization involved."

24. For REs registered on the FIU's E-Reporting Platform, the FIU E-Reporting Guideline No. 1 of 2020 is available on the *FIU's webpage at fiu.gov.gy*.

What legal protection exists for submission of STRs?

25. The AMLCFT Act contains provisions for protection of persons (legal or natural) who file reports of suspicious transactions pursuant to Section 18(4) of the AMLCFT Act No. 13 of 2009. These provisions remove the possibility of liability or sanction (Civil, Criminal or Administrative) for breach of client confidentiality in complying with the reporting obligations.
26. The AMLCFT Act contains the following sections which relates to the legal protection for filing, in good faith, suspicious reports to the FIU:

Section 11(1)

No proceedings for breach of professional confidentiality may be instituted against any person or against any directors, officers or employees of a reporting entity who in good faith transmits or submits suspicious transaction activity reports to the FIU in accordance with this Act even if the person, director, officer or employee did not know precisely what the underlying criminal activity was and regardless of whether the illegal activity actually occurred.

Section 11(2)

No civil or criminal liability action may be brought nor any professional sanction be taken against any person or agent of any reporting entity for breach of any restriction on disclosure who in good faith transmits information or submits reports to the FIU even if the person or agent did not know precisely what the underlying criminal activity was, and regardless of whether the illegal activity actually occurred.

Section 111

Subject to the provisions of the Constitution, the provisions of this Act shall have effect notwithstanding any obligation as to secrecy or other restriction upon the disclosure of information imposed by any law or otherwise.

Further, **Section 112** of the AMLCFT Act 2009 provides:

It shall not be unlawful for any person to make any disclosure in compliance with this Act.

What are the possible legal implications for unlawful disclosure of a STR?

27. The AMLCFT Act creates offences for any person or RE who makes any unlawful disclosure relating to the filing of STRs or related information. Those offences relate to:

Section 5(1)

It is an offence for a person who knows or suspects that a suspicious transaction report or related information is reported to the FIU, or that an investigation into money laundering, terrorist financing or the proceeds of crime has been, is being or is about to be made, to divulge that fact or other information to another whereby the investigation is likely to be prejudiced.

Section 5(2)

*A natural person who commits an offence under subsection 1 is liable on summary conviction to a fine of not less than **one million dollars (\$1,000,000.00)** and to imprisonment for **three (3) years**.*

Section 18 (14) and (15)

It is an offence for a person who knows or suspects that a report under Section 18 is being prepared or has been sent to the FIU, or any additional information requested by the FIU has been prepared or sent to disclose to another person, other than a court, or other person authorized by law, any information or other matter in relation to the report.

*A natural person who commits this offence shall be liable to a fine of not less than **one million dollars (\$1,000,000.00)** nor more than **two million dollars (\$2,000,000.00)** and to imprisonment for a term not exceeding **three (3) years**.*

*A body corporate which commits this offence shall be liable to a fine of not less than **two million dollars (\$2,000,000.00)** nor more than **three million dollars (\$3,000,000.00)**.*

What are some post reporting expectations for a RE?

28. After the submission of a STR to the FIU, a RE is expected to continue to monitor any subsequent business transaction or series of transactions it conducts with the customer who is the subject of a STR. This is expected whether the RE completed the business transaction or terminated the business relationship with the customer (at the time when suspicion was formed or anytime thereafter).
29. A RE is expected to continue to assess the risk posed by the suspected customer and determine the appropriate risk mitigation measures to be applied, given the facts and context surrounding the subsequent transaction(s).
30. A RE is expected to be able to retrieve copies of all the relevant records relating to the customer and the suspicious transaction. Upon request for further or additional information by the FIU, the RE must share the requested information and all other relevant records, in order to facilitate the analysis and investigation process.
31. Transaction records are required to be kept and maintained by a RE in accordance with the AMLCFT Act and Regulations made thereunder⁸.
32. A RE is expected to continue to cooperate with the FIU throughout the investigative process in relation to the STR filed by the RE, and in accordance with all applicable laws.

Conclusion

The FIU, in keeping with its mandate under to AMLCFT Act, to provide guidance to REs, will continue to embrace and support the AMLCFT efforts by all REs and other stakeholders.

The FIU encourages all REs to make full use of this guideline and as applicable, incorporate the guidance provided, into their AMLCFT Compliance framework.

⁸ See Section 16 AMLCFT Act 2009 and Regulations 7, 8, 9 AMLCFT Regulations 2010.

The FIU is willing to provide further clarity or additional guidance to any RE regarding their AMLCFT Compliance obligations under the AMLCFT Act or Regulations made thereunder.

The FIU's office can be contacted at the address or via telephone stated below; or via its email address at info@fiu.gov.gy.

FINANCIAL INTELLIGENCE UNIT - GUYANA

Ministry of Finance Compound

49 Main & Urquhart Streets

Georgetown, Guyana

Tel: 592-231-6781

Email: info@fiu.gov.gy

Annex A - Categories of Reporting Entities

FIRST SCHEDULE- AMLCFT Act 2009

“Financial Institution” means any company or business that engages in any of the following activities-

- (a) acceptance of deposits and other repayable funds from the public, including, but not limited to, private banking;
- (b) lending, including, but not limited to, consumer credit, mortgage credit, factoring (with or without recourse), and financing of commercial transactions, including forfaiting;
- (c) financial leasing other than with respect to arrangements relating to consumer products;
- (d) the transfer of money or value;
- (e) issuing and managing means of payment, including, but not limited to, credit cards, travellers' cheques, money orders and bankers' drafts, and electronic money;
- (f) issuing financial guarantees and commitments;
- (g) trading in-
 - (i) money market instruments, including, but not limited to, cheques, bills, certificates of deposit and derivatives;
 - (ii) foreign exchange;
 - (iii) exchange, interest rate and index instruments;
 - (iv) transferable securities; and
 - (v) commodity futures trading;
- (h) participating in and underwriting securities issues and the provision of financial services related to such issues;
- (i) individual and collective portfolio management;
- (j) safekeeping and administration of cash or liquid securities on behalf of other persons;
- (k) investing, administering or managing funds or money on behalf of other persons;
- (l) underwriting and placement of life insurance and other investment-related insurance, as well as insurance intermediation by agents and brokers;
- (m) money and currency changing; and
- (n) such other activity, business or operation as may be prescribed by the Minister responsible for Finance.

“Designated Non-financial Business or Profession” means any of the following-

- (a) casinos, betting shops or lotteries, including a person who carries on such a business through the internet, when their customers engage in financial transactions equal to or above five hundred thousand dollars or such lower amount as may be prescribed by the Minister responsible for Finance;
- (b) real estate agents, when they are involved in transactions for their client relating to the buying and selling of real estate and real estate brokers;
- (c) dealers in precious metals and dealers in precious and semi-precious stones, including, but not limited to those covered when they engage in any cash transaction with a customer equal to or above two million dollars or such lower amount as may be prescribed by the Minister responsible for Finance;
- (d) Attorneys-at- law, notaries, other independent legal professionals and accountants when they prepare for or carry out transactions for their client relating to the following activities-
 - (i) buying and selling of real estate;
 - (ii) managing of client money, securities or other assets;
 - (iii) management of bank, savings or securities accounts;
 - (iv) organisation of contributions for the creation, operation or management of companies;

or

- (v) creation, operation or management of legal persons or arrangements, and buying and selling of business entities;
- (e) a trust or company service provider not otherwise covered by this definition, which as a business, provide any of the following services to third parties-
 - (i) formation or management of legal persons;
 - (ii) acting as (or arranging for another person to act as) a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons;
 - (iii) providing a registered office; business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement;
 - (iv) acting as (or arranging for another person to act as) a trustee of an express trust; or
 - (v) acting as (or arranging for another person to act as) a nominee shareholder for another person; and
- (f) such other business or profession as may be prescribed by the Minister responsible for Finance.

Activities and businesses subject to the Act s. 2

Acceptance of deposits and other repayable funds from the public.

Lending, including consumer credit, mortgage credit, factoring (with or without recourse) and financing of commercial transactions.

Financial leasing.

Money transfer agencies or services, including money exchanges.

Cambios.

Pawn-broking.

Issuing and administering means of payment (such as credit cards, traveller's cheques and bankers' drafts).

Guarantee and commitments.

Trading for own account or for account of customers in money market instruments (such as cheques, bills, certificates of deposit), foreign exchange, financial futures and options, exchange and interest rate instruments, and transferable securities.

Credit unions.

Underwriting share issues and participation in such issues.

Advice to undertakings on capital structure, industrial strategy and related questions, and advice and services relating to mergers and the purchase of undertakings.

Money-broking.

Portfolio management and advice.

Safekeeping and administration of securities.

Safe custody services.

Betting shops.

Casinos. Internet casinos Lotteries.

Exporters and importers of valuable items.

Used car dealers or car parts dealers.

Buying or selling of gold bullion.

Insurance business.

Venture risk capital.

Unit trusts.

A trust or company service provider not otherwise covered by this definition, which as a business, provide any of the following services to third parties as covered under the law relating to Trusts under the Civil Law of Guyana Act-

- (i) acting as a formation agent of legal persons;
- (ii) acting as (or arranging for another person to act as) a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons;
- (iii) providing a registered office; business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement;
- (iv) acting as (or arranging for another person to act as) a trustee of an express trust;
- (v) acting as (or arranging for another person to act as) a nominee shareholder for another person.

Attorneys-at-law, notaries, other independent legal professionals and accountants when they prepare for or carry out transactions for their client concerning the following activities-

- (i) buying and selling of real estate;
- (ii) managing of client money, securities or other assets;
- (iii) management of bank, savings or securities accounts;
- (iv) organisation of contributions for the creation, operation or management of companies;
- (v) creation, operation or management of legal persons or arrangements, and buying and selling of business entities.

Dealing in real estate when the persons dealing are involved in transactions for their client concerning the buying and selling of real estate.

Dealing in precious metals or stones - when the persons dealing engages in any cash transaction with a customer equal to or above a threshold as may be prescribed by order of the Minister responsible for Finance.

Registered Charities.

Cooperatives

Annex B - Lists of Unusual Activities/Red Flags /Indicators

These lists are not exhaustive but should help to determine whether the activity is suspicious or does not appear to have a reasonable business or legal purpose. The following situations may warrant additional scrutiny as they can indicate money laundering or terrorist financing.

Financial or Non-Financial Institutions

- Unusual transactions or activity compared to the customer's normal dealings.
- Unjustified large cash deposits or constantly large balances.
- The use of large amounts of cash to purchase cashier's checks or money orders.
- Unwillingness or avoidance of providing information about their business. This could be concealing beneficial owner's information, beneficial business partners or who their client is.
- Inconsistent information such as multiple tax IDs or unverified documents.
- Complex financial transactions that are designed to conceal the source and ownership of the funds.
- Unwilling to provide information relating to the beneficial ownership of legal arrangements such as (e.g. express trusts);
- Structuring transactions below threshold limit to avoid reporting obligation.
- An individual Customer or Client who asks several questions about their reporting obligations (e.g. wants to know how they can avoid their transaction being reported to a regulator).
- Keeps changing their explanation for conducting a transaction or knows few details about its purpose of the transaction/s.
- Transactions constantly being made by a third party on behalf of another individual whereby a customer or client conducts a transaction while accompanied, overseen or directed by another party.
- Payments to or from unrelated parties in foreign or domestic parties.
- Making a deposit to a personal account, where the individual has an income or job that is not consistent with the deposit amounts; or keeps changing their reason for the deposit or cannot or will not provide a reason and exhibits nervous behaviour.
- Numerous Transactions associated with a business account by persons who are not authorised to act for the business or signatories to the business; or the account activity involves wire transfers in and out of the country which do not fit

the expected pattern for that business; or multiple deposits are made to the account by third parties;

Gaming Sector

- Information being provided by the player contains a number of mismatches (e.g. email domain, telephone or postcode details do not correspond to the country);
- The registered credit card or bank account details do not match the player's registration details;
- The player is situated in a higher-risk jurisdiction or is identified as being listed on an international sanctions list;
- The player is identified as a politically exposed person;
- The player seeks to open multiple accounts under the same name;
- The player opens several accounts under different names using the same IP address;
- The withdrawals from the account are not commensurate with the conduct of the account, such as for instance where the player makes numerous withdrawals without engaging in significant gambling activity;
- The player deposits large amounts of funds into his online gambling account;
- The source of funds being deposited into the account appears to be suspicious and it is not possible to verify the origin of the funds;
- The customer logs on to the account from multiple countries;
- A deposit of substantial funds followed by very limited activity;
- The player has links to previously investigated accounts;
- Different players are identified as sharing bank accounts from which deposits or withdrawals are made.

Mining Sector

- The individual uses a payment card that appears to be altered or stolen.
- The individual buys high-value goods using small-denomination bills (\$5, \$10, \$20).
- The individual will only trade items for cash or other precious metals and stones.
- The individual attempts to buy precious metals or stones with a company credit card or a credit card not in their name.
- The individual trades items for similar items of near-equal value.
- The customer attempts to maintain a high degree of secrecy with respect to the transaction, such as requesting that normal business records not be kept.

- The individual appears to be living beyond their means.
- The individual cannot explain the origin of the precious metals and stones.
- The transactional activity (level or volume) is inconsistent with the individual's apparent financial standing, their usual pattern of activities or occupational information.
- The individual is willing to sell items at rates significantly lower than their typical sale value.

Securities Sector and/or other Intermediary Services

In 2002, the US National Association of Securities Dealers (NASD), a self-regulatory organization that oversees the NASDAQ Stock Market under the authority of the US Securities and Exchange Commission, offered in its "Special NASD Notice to Members" signs of suspicious activity to the securities field:

- The customer appears to be acting as an agent for an undisclosed principal, but declines or is reluctant, without legitimate commercial reasons, to provide information, or is otherwise evasive regarding that person or entity.
- For no apparent reason, the customer has multiple accounts under a single name or multiple names, with a large number of inter-account or third-party transfers.
- The customer's account has unexplained or sudden extensive wire activity, especially in accounts that had little or no previous activity.
- The customer makes a funds deposit for the purpose of purchasing a long-term investment followed shortly thereafter by a request to liquidate the position and transfer the proceeds from the account.
- The customer engages in excessive journal entries between unrelated accounts without any apparent business purpose.
- The customer requests that a transaction be processed in such a manner so as to avoid the firm's normal documentation requirements.
- The customer, for no apparent reason or in conjunction with other "red flags," engages in transactions involving certain types of securities, such as penny

stocks, Regulation "S" (Reg S) stocks, and bearer bonds, which, although legitimate, have been used in connection with fraudulent schemes and money laundering activity.

Dealing in Real Estate and/or other Intermediary Services

- Client purchases property in the name of a nominee such as an associate or a relative (other than a spouse), or in the name of minors or incapacitated persons or other persons who lack the economic capacity to carry out such purchases.
- Client does not want to put their name on any document that would connect them with the property or uses different names on offer letters to Purchase or closing documents and deposit receipts.
- Client attempts to hide the identity of the beneficial owner or requests that the transaction be structured to hide the identity of the beneficiary.
- Buyer is a shell company and representatives of the company refuse to disclose the identity of the beneficial owner.
- Address given by client is unknown, believed to be false, or simply a correspondence address.
- Client does not satisfactorily explain the last-minute substitution of the purchasing party's name.
- Client pays substantial down payment in cash and balance is financed by an unusual source or offshore bank.
- Client purchases property without inspecting it.
- Client purchases multiple properties in a short time period, and seems to have few concerns about the location, condition and anticipated repair costs, etc., of each property.
- Client pays rent or the amount of a lease in advance using a large amount of cash.

- Client is known to have paid large remodeling or home improvement invoices with cash, on a property for which property management services are provided.
- Transaction does not match the business activity known to be carried out by the client.
- Transaction is entered into at a value significantly different (much higher or much lower) from the real or market value of the property.
- Property is sold in a series of successive transactions each time at a higher price between the same parties.
- Buyer takes on a debt significantly higher than the value of the property.
- Client suddenly cancels / aborts transaction and requests refund either back to himself / herself / itself or to a third party.

Unusual Behaviour ('Red flags') association to Terrorist Financing

The Egmont Group reviewed 22 terrorist financing cases submitted by financial intelligence units (FIUs) and compiled financial and behavioral indicators that were most frequently observed indicators associated to terrorist financing:

Behaviour Indicators:

- The parties to the transaction (owner, beneficiary, etc.) are from countries known to support terrorist activities and organizations.
- Use of false corporations, including shell companies.
- Inclusion of the individual in the United Nations 1267 Sanctions list.
- Media reports that the account holder is linked to known terrorist organization or is engaged in terrorist activities.
- Beneficial owner of the account is not properly identified.
- Use of nominees, trusts, family member or third-party accounts.
- Use of false identification.
- Abuse of non-profit organization.

Annex C - Suspicious Transaction - Standard Report Form

FINANCIAL INTELLIGENCE UNIT

SUSPICIOUS TRANSACTION REPORT (STR)

(In accordance with the Anti Money Laundering and Countering the Financing of Terrorism Act 2009)

PART I - SUBJECT INFORMATION

Full name of Entity or last name of individual _____

Middle Name _____ First Name _____

Address _____

Phone number _____ Stated occupation/nature of business _____

Date of birth/ incorporation/registration / /
MM DD YYYY

If an individual, tick method used to verify identity: (please attach copy)

(a) National Identification Card (b) Passport

(c) Other (please specify) _____

Date of issue / / Number _____
MM DD YYYY

PART II - SUSPICIOUS ACTIVITY INFORMATION

Date or date range of suspicious activity

From / / To / /
MM DD YYYY MM DD YYYY

Total amount involved in suspicious transaction (state amount in local currency): \$ _____

Account Details (include details of all connected accounts) _____

Type of transaction(s) _____

PART III - REPORTING ENTITY INFORMATION

Name of Reporting Entity or individual:

Full name of Entity or last name of individual _____

Middle Name _____ First Name _____

Address _____

(village, town, street, lot no.)

If activity occurred at a branch office

Full name of branch office _____

Address _____
(village, town, street, lot no.)

PART IV – COMPLIANCE OFFICER/PREPARER OF REPORT INFORMATION

Last name _____ Middle name _____ First name _____

Job title _____ Phone no _____

Date report was prepared ____/____/____ Signature _____
MM DD YYYY

Stamp/Seal of Reporting Entity if any:

PART V - SUSPICIOUS TRANSACTION(S) DESCRIPTION

Description of suspicious transaction(s) This section of the report is **essential**. Provide a clear, complete and chronological description of the transaction(s), including what is unusual, irregular, or suspicious about the transaction(s), using the checklist below **as a guide** as you prepare your report.

Describe

- (i) The conduct that raised suspicion; and
- (ii) The supporting documentation.

Explain

- (i) Whether the transaction(s) was completed or only attempted; and
- (ii) Who benefited, financially or otherwise, from the transaction(s).

Indicate

- (i) Whether any information has been excluded from this report and why;
- (ii) Whether the suspicious transaction is an isolated incident or relates to another transaction; and
- (iii) (If the reporting entity is a financial institution) any additional account number and any domestic or foreign bank account number which may be involved.

Provide

A clear indication of the serious (predicate) offence or criminal activity the reporting entity **suspects** or **has reasonable to suspect** or **believe**, the funds, transaction, or attempted transaction are connected to or intended to be committed; or the intended terrorist act or terrorist organization involved.

Send completed report and associated documents to:

**The Director
Financial Intelligence Unit
Ministry of Finance Compound
49 Main & Urquhart Streets
Georgetown, Guyana**

**OR
info@fiu.goy.gy**