

Recognising Potential Money Laundering prompt sheet

A handy, quick-reference guide to help you recognise when a client may be laundering money

Consider: Have any of the following been identified during the course of your work?

1. Transactions that appear inconsistent with client's legitimate business activities
2. Unusual deviations from normal account and transaction patterns.
3. Transactions with little commercial logic that take place in the normal course of business.
4. Complex corporate structure which does not seem necessary
5. Unusually large and complex transactions, possibly with associated/ related third parties
6. Unnecessary foreign travel
7. Unconventionally large currency transactions particularly in exchange for negotiable instruments
8. Many large unexpected cash transactions
9. Formation of companies or subsidiaries with no apparent commercial purpose
10. Transactions with companies whose identity is difficult to establish or where they are registered in countries well known for their lack of proper financial control
11. Unauthorised or improperly recorded transactions
12. Any situation where personal identity is difficult to determine
13. Transactions at under value
14. Use of many different auditors and advisors for connected companies and businesses
15. Sales reflected at less than cost putting company in a loss position but the company continues without reasonable explanation of the continued loss
16. Client does not want correspondence sent to home
17. Client uses a POB or general delivery address
18. Client changes address frequently
19. Client is secretive and reluctant to meet in person
20. Client shows an uncommon curiosity about internal systems, controls, policies and reporting and has an unusual knowledge of the law in relation to SARs