

Suspicious Transaction Reports (STRs)–  
The Do's & Don'ts  
*STR Unit*  
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*October 13<sup>th</sup>, 2011*

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# Agenda

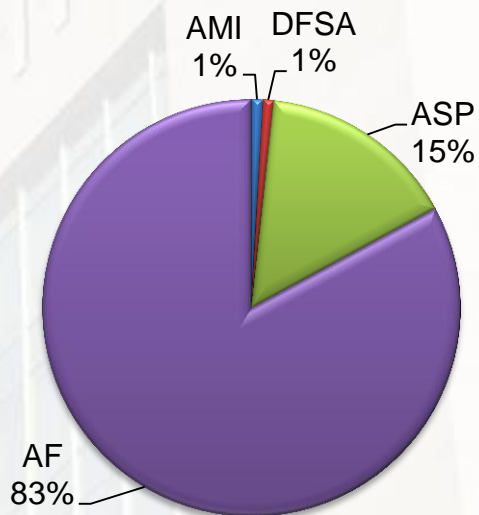
- STRs Overview 2005 – 2011
- STRs Overview 2011
- The STR Form
- The Do's and The Don'ts
- Case Study

# STR Overview 2005 - 2011

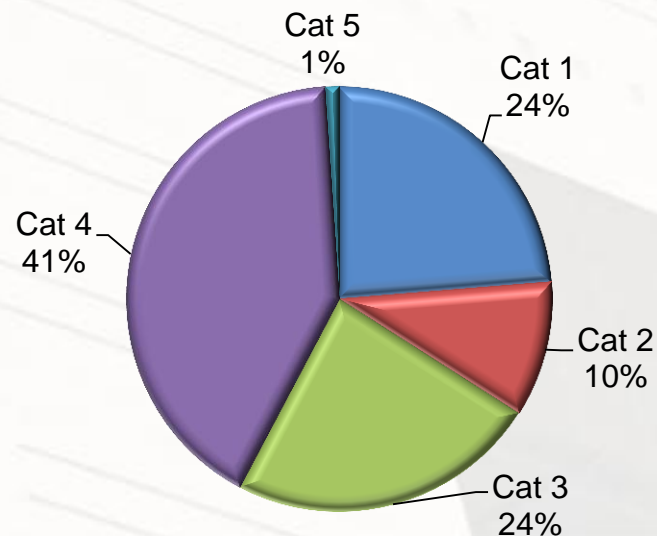
**Total Number of STRs 2005 → 2011 = 118**

- 1 AMI submission
- 1 DFSA submission
- 18 ASP submissions (All Legal Service Providers)
- 97 AF submissions

**Entity Type**

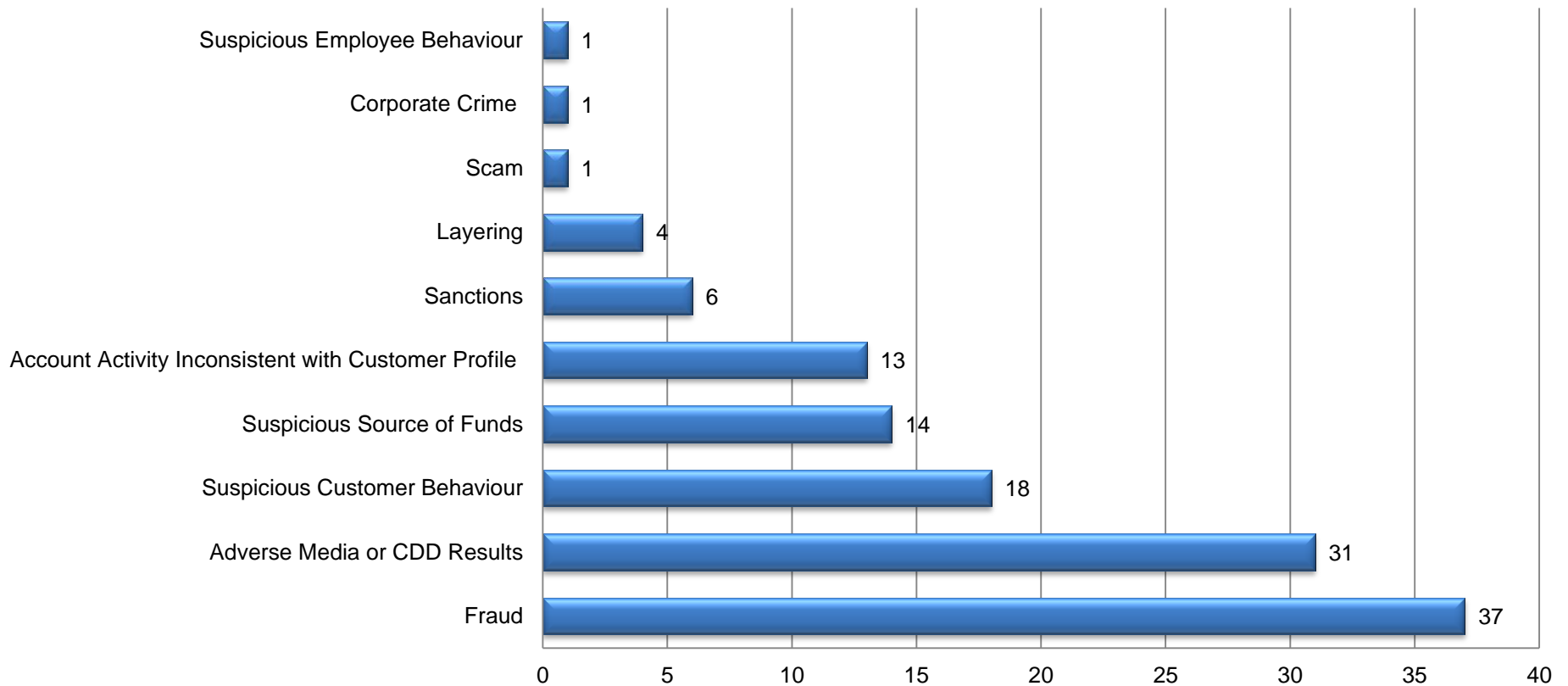


**AF Activity**



# STRs – Source of Suspicion 2005 - 2011

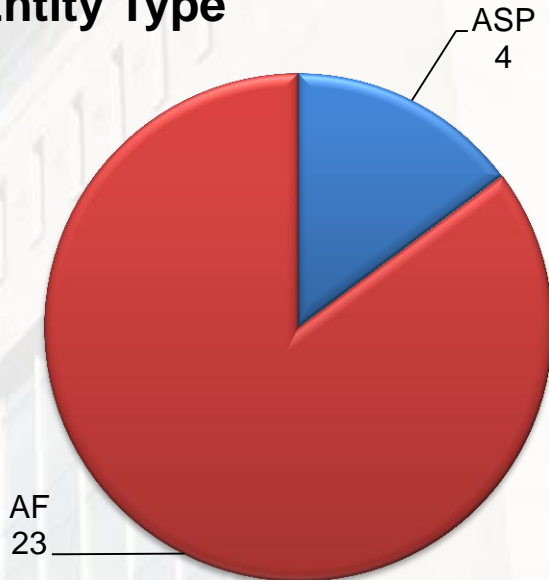
## Type of STR



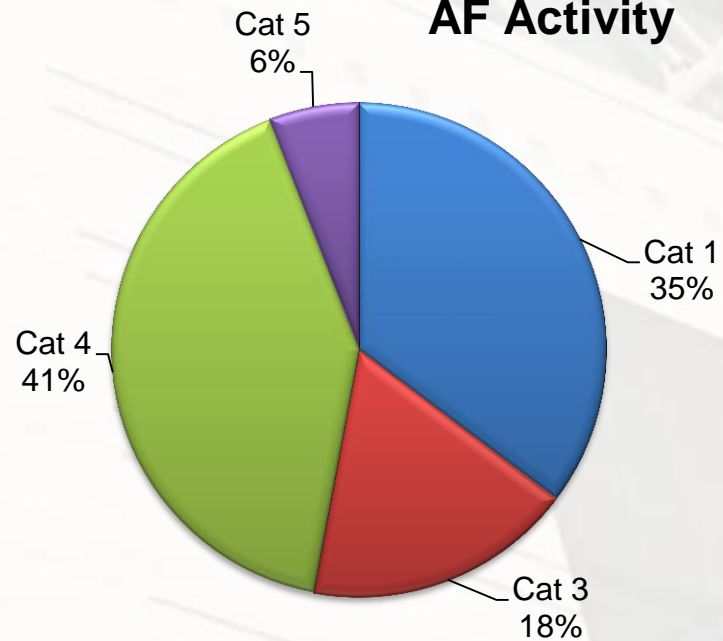
# STR Overview 2011

- **Total Number of STRs in 2011 = 27**
  - 4 ASP submissions (All Legal Service Providers)
  - 23 AF submissions

**Entity Type**

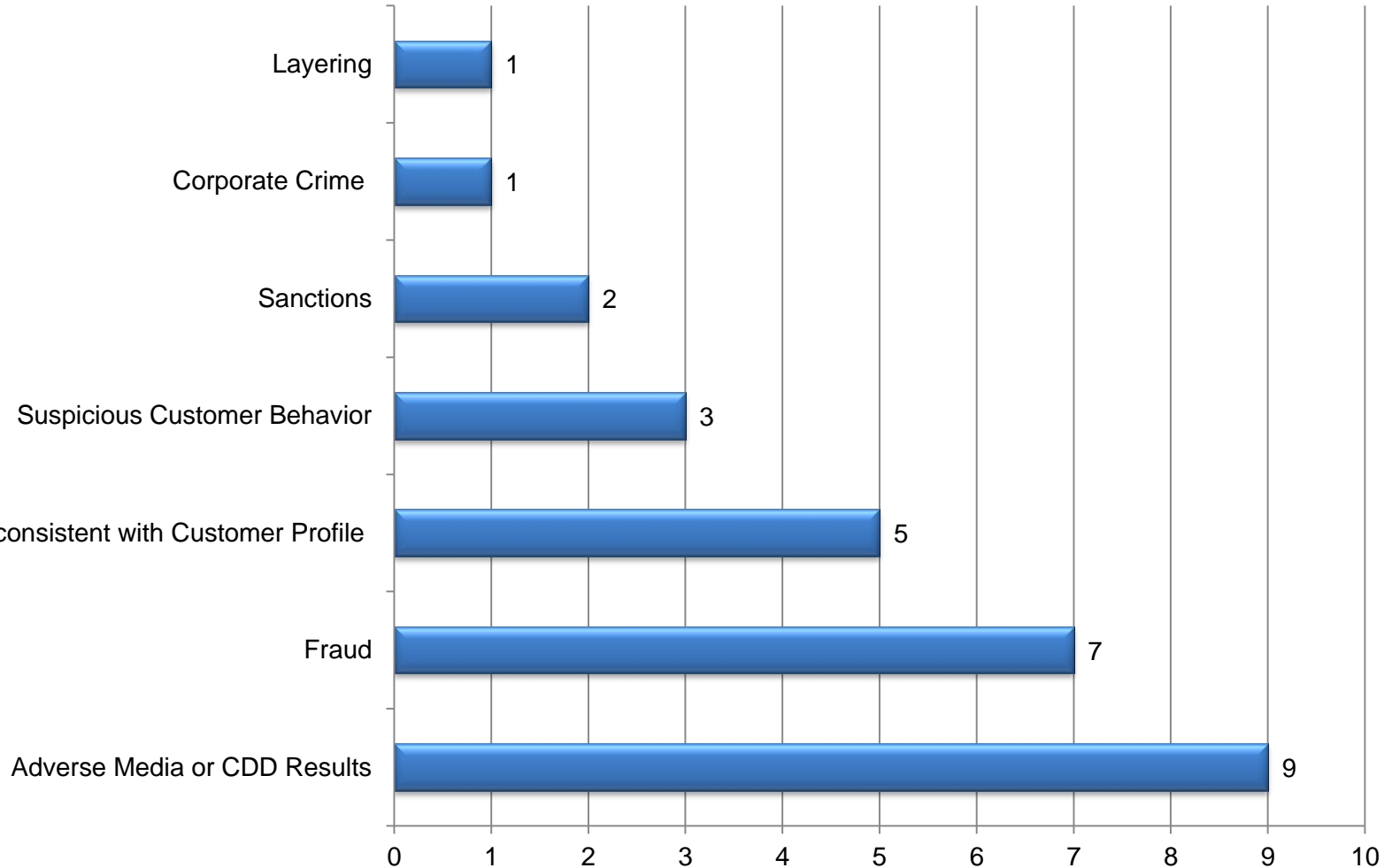


**AF Activity**



# STRs – Source of Suspicion 2011

STR 2011



# The STR Form

(تقرير معاملة مشبوهة)  
 نموذج تقرير عن  
 المعاملات المصرفية المشبوهة أو التي كُندل على احتمال غسل الأموال  
 (Suspicious Transaction Report)

Form of a report on Suspected Financial Transaction or those indicating possible Money Laundering

To be filled by the concerned Financial Institution: يملأ من قبل المنشأة المالية المعنية

Clearly identify client name in full

Full name of customer		الاسم الكامل للعميل
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Always input some identification details, if unknown explain why

Passport No/Details of license:		رقم جواز السفر / تفاصيل الرخصة:
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Nationality:		الجنسية
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If official nationality is unknown at least provide an indication eg. Middle Eastern

Address/ known address:		العنوان / العناوين المسجلة:
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All and any contact details of the suspected individual

This is the amount of currency that you suspect is involved in the transaction. If no transaction took place and it was a suspicious activity only then insert nil. (With description of the actual suspicion) However, in some cases of suspicious activity money is discussed in this case the amount needs to be included

Amount of suspected transactions:		مبلغ المعاملات المصرفية المشبوهة:
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Source of suspicion:		مصدر الشك:
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Clearly identify the reason for suspicion eg. Suspicious source of funds.

Signature of employee in charge:		توقيع الموظف المسؤول
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Insert the name of the person submitting the STR and the title. Don't forget to sign

Date:		التاريخ
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## ✓ The Do's

- ✓ Do consult with the DFSA STR Unit, if unsure or unclear, before submitting an STR
- ✓ Do submit all supporting documentation with your STR
- ✓ Do submit an STR for suspicious behaviour only i.e. no transaction required
- ✓ Do request a soft copy STR form, rather than submitting a handwritten STR.
- ✓ Do submit an STR within a reasonable timeframe of identification of STR i.e. ASAP! You can also submit interim STR when the investigation is expected to take long period.

## ✓ The Do's

- ✓ Do keep up-to-date with sanctions, notices released by the relevant authorities.
- ✓ Do include all relevant details in your STR including source of funds, linked accounts, etc. Remember: Quality and not Quantity!
- ✓ Do Report Confidentially without involving unrelated people as it could react the customer and be considered as Tipping off.
- ✓ Do maintain your STRs as per the record keeping requirements.
- ✓ Do send additional STR(s) when further information comes to light in order to supplement the original suspicion- please ensure that you make references.

## ✘ The Don'ts

- ✘ Do not terminate the relationship intentionally prior or post raising the STR unless there is a logical and/or unavoidable reason behind such action . Please wait for an official response from the AMLSCU.
- ✘ Do not insert “*refer to documents attached*” under “Source of Suspicion.” Even brief explanation is required.
- ✘ Do not write a report that goes around in circles, clearly identify the suspicion at the beginning
- ✘ Do not submit an STR only to the AMLSCU and conveniently forget to send a copy to the DFSA!



# Better examples

**Source of suspicion:**

(not an on-boarded client)

**Fraudulent cheque returned by Bank**

Source of Suspicion – Request for return of funds

**Source of suspicion:**

INTERPOL: DEC2010 ARREST  
WARRANT ISSUED BY INTERPOL.  
WANTED BY JUZGADO SEGUNDO DEL  
CIRCUITO PENAL DE COLON/PANAMA

**Amount(s) of suspicious transactions:**

Nil amount – Interpol warrant for Fraud on

**Reason for Suspicion(s)**

is on the Interpol wanted  
list in relation to a fraud offence

**Full Name of Customer :** الاسم الكامل للعميل :

Not a customer but contact details are as follows:

(email @gmail.com)

**Passport No / Details of license:**

Not obtained

**Passport No./Details of Licence**

Unknown

**Nationality :** الجنسية:

Believed to be Polish

# Case Study: A Good Submission

(تقرير معاملة مشبوهة)

نموذج تقرير عن

المعاملات المصرفية المشبوهة أو التي تدل على احتمال غسل الأموال

(Suspicious Transaction Report)

**Form of a report on Suspected Financial Transaction or those indicating possible Money Laundering**

To be filled by the concerned Financial Institution:

يملأ من قبل المنشأة المالية المعنية

Full name of customer	Mr. John Smith (JS) - owner of ABC Company in Dubai	الاسم الكامل للعميل
Passport No/Details of license:	UK Passport, Number 123456. UAE issued license, Number 123456 ABC Company trade license issued by Dubai Economic Development: 123456	رقم جواز السفر / تفاصيل الرخصة:
Nationality:	United Kingdom, London	الجنسية

✓ Full, clear, typed information

# Case Study: A Good Submission

Address/ known address:	UAE Resident. Jumeirah Beach Residence Building X PO Box 123.  Office location Jumeirah Lake Towers Building X Office 123.  Office Number +9714123456  UK Residence, London – Building A , Street 123 Apartment Num. 123  Mobile Number +97150123456  Email johnsmith@ABCcompany.com	العنوان / العناوين المسجلة:
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✓ All contact details included

## Case Study: A Good Submission

<p>Amount of suspected transactions:</p>	<p>a ) \$1,000,000 as calculated through the transactions on his account</p> <p>b) \$2,000,000 is amount of money wanting to be deposited in our bank without any explanation.</p> <p>Please see attached transaction report and supporting bank statements (summary of deposits and withdrawals, summary of accounts including date of opening, current status (active, close, dormant, etc...., rent status.</p>	<p>مبالغ المعاملات المصرفية المشبوهة:</p>
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✓ Amounts included along with supporting information

# Case Study: A Good Submission

<p>Source of suspicion:</p>	<p>John Smith is a client of XYZ Bank since 1<sup>st</sup> August 2011.</p> <p>a) 10 – 13 Aug. 2011: Unusual account Activity. Money being transferred from 3<sup>rd</sup> party remittances into JS account without explanation. (On account opening this account was supposed to be used as a fixed deposit account.). The account activity does not commensurate with the customer profile.</p> <p>b) 11 Aug. 2011: Suspicious  Source of Funds JS produced \$2,000,000 to be deposited into his bank account however, he could not provide a reasonable explanation as to the source of funds.</p> <p>Please find attached</p> <ol style="list-style-type: none"> <li>1) John Smith Client opening documentation</li> <li>2) KYC supporting documents</li> <li>3) Relevant communication regarding the transactions.</li> </ol>	<p>مصدر الشك :</p>
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✓ Good, clear overall summary

# Case Study: A Good Submission

Signature of employee in charge:	  Brad Pitt, Compliance Officer and Money Laundering Reporting Officer of XYZ Bank in the DIFC.	توقيع الموظف المسؤول
Date:	15 September 2011	التاريخ

✓ Name, Position and Organisation included

# Case Study: Improvements Required

(تقرير معاملة مشبوهة)

نموذج تقرير عن

المعاملات المصرفية المشبوهة أو التي تدل على احتمال غسل الأموال

(Suspicious Transaction Report)

Form of a report on Suspected Financial Transaction or those indicating possible Money Laundering

To be filled by the concerned Financial Institution:

يملأ من قبل المنشأة المالية المعنية


Full name of customer	John Smith	الاسم الكامل للعميل
Passport No/Details of license:	Passport 123456	رقم جواز السفر / تفاصيل الرخصة:
Nationality:	UK	الجنسية
Address/ known address:	PO Box 123 Dubai UAE Emirates Hills Dubai UAE Villa 123 Email johnsmith@ABCcompany.com Telephone +97150123456	العنوان / العناوين المسجلة:

No title

No country of passport

Company email but no company name.

# Case Study: Improvements Required

Amount of suspected transactions:	Please see cover letter	مبالغ المعاملات المصرفية المشبوهة:
Source of suspicion:	Please see cover letter	مصدر الشك :
Signature of employee in charge:		توقيع الموظف المسؤول
Date:	1 July 2011	التاريخ

There needs to be an amount here

Same as prior!\*

Only signature, no employee name or title

# Case Study: Improvements Required

**From:** Lucy Lu  
**Sent:** 15<sup>th</sup> August 2011 15:26  
**To:** DFSA Relationship Manager  
**Subject:** Suspicious Transaction Report

Email should be to STRunit and CC to RM

This is to inform the DFSA that on the 1<sup>st</sup> July 2011, Bank XYZ has submitted an STR in relation to a DIFC client.

Waited over one month before submitting a copy to the DFSA

Please see attached cover letter.

Thank you

Lucy Lu is not the CO/MLRO or his/her deputy who is contacting us

Lucy Lu

On behalf of the CO/MLRO Bob Brown

# Case Study: Improvements Required

## *XYZ Bank*

1 July 2011

AMLSCU  
UAE Central Bank  
Abu Dhabi

Dear Sir

On the 1<sup>st</sup> May 2011, there was an inflow of cash from a third party remitter into the account of John Smith of around \$1,000,000. John Smith provided an explanation on this but we were not satisfied.

On the 2<sup>nd</sup> of May 2011 John Smith deposited around \$2,000,000 to his account. Again when asked about the source of these funds he could not provide an explanation.

We are waiting for appropriate instructions from the AMLSCU.

If you would like to see the KYC documents please visit the bank.

In the meantime, bank XYZ has closed John Smith's account and returned to him all his funds.

Should you wish to discuss this matter further, please do not hesitate to contact us.

Yours sincerely,



Lucy Lu

On behalf of  
Brad Pitt  
CO/MLRO  
XYZ Bank

There needs to be an exact number

Please note the time lag

They have to submit the relevant supporting documents with the STR

You cannot close a suspected client account and return all funds prior to receiving instructions from the AMLSCU



Thank You