

Guidelines for Detecting Suspicious Transactions

a. Suspicious Cash Transactions:

1. Unusually large cash deposits made by an individual or a company whose normal business activities would mainly be conducted by cheques or other instruments.
2. Substantial increase in cash deposits by any customer or Financial Institution without an apparent cause, especially if such deposits are subsequently transferred within a short period out of the account to a destination not normally associated with the customers.
3. Customers who deposit cash in numerous stages so that the amount of each deposit is below BD6000, but the total of which is equal to or exceeds that amount.
4. Company accounts whose transactions, both deposits and withdrawals, are mainly conducted in cash rather than in negotiable instruments (e.g. cheques, letters of credit, drafts etc.) without an apparent reason.
5. Customers who constantly pay-in or deposit cash to cover requests for bankers drafts, money transfers or other negotiable instruments without an apparent reason.
6. Customers who seek to change large quantities of lower denomination banknotes for those of higher denomination banknotes with no obvious reasons.
7. Customers who transfer large sums of money outside the country with instructions for payment in cash, and large sums transferred from outside the country in favour of non-resident customers with instructions for payment in cash.
8. Unusually large cash deposits using "ATMs" or "cash deposit machines" to avoid direct contact with the employees of the relevant licensee, if such deposits are not consistent with the business/normal income of the concerned customers.

b. Suspicious Transactions using Customers Accounts:

1. Customers who maintain a number of trustee or customers' accounts not required by the type of business they conduct particularly, if there were transactions which contain names of unknown persons.
2. Customers who have numerous accounts and pay-in amounts of cash to each of these accounts, whereby the total of credits is a large amount except, for institutions which maintain these accounts for banking relationships with banks which extend to them facilities from time to time.

3. Any individual or company whose account shows virtually no normal personal banking or business-related activities, but is used to receive or disburse large sums which have no obvious purpose or for a purpose not related to the account holder and/or his business (e.g. a substantial turn-over in the account).
4. Customers who have accounts with several financial institutions within the same locality and who transfer the balances of those accounts to one account, then transfer the consolidated amount to a person abroad.
5. Paying-in large third party cheques endorsed in favour of the account holder when they do not seem to be relevant to the account holder and his nature of business.
6. Large cash withdrawals from a previously dormant/inactive account, or from an account which has just received unexpected large sums of money from abroad.
7. A large number of individuals who deposit monies into the same account without an adequate explanation.
8. Unusually large deposits in the accounts of a jewellery shop whose accounts have never witnessed such deposits particularly, if a large part of these deposits is in cash.

c. Suspicious Investment-Related Transactions:

1. Purchasing of securities to be held by the financial institution in safe custody, where this does not appear appropriate given the customer's apparent standing.
2. Individual or commercial institutions who bring in large sums of money to invest in foreign currencies or securities, where the size of transactions are not consistent with the income of the concerned individual or commercial institutions.
3. Buying or selling of securities with no justifiable purpose or in circumstances which appear unusual.

d. Suspicions International Banking and Financial Transactions:

1. Customers introduced by a branch outside the country, an affiliate or another bank, based in one of the countries known for the production or consumption of drugs or other serious criminal activities.
2. Building up of large balances not consistent with the known turnover of the customer's business, and the subsequent transfer to account(s) held abroad.
3. Frequent requests for travellers' cheques, foreign currency drafts or other negotiable instruments, for no obvious reasons.
4. Frequent paying-in of travellers' cheques or foreign currency drafts large amounts for no obvious reasons, particularly if originating from abroad.

e. Suspicious use of Letters of Credit:

1. Where the bank's customer who opens these letters is the beneficiary and the owner of the shipping company.
2. Where amounts on letters of credit submitted by the customer to the bank and to the Customs/Port/Airport authorities do not match the original.
3. Where the size of the facilities are not in line with the securities on hand, nature of business and net-worth of the customers.
4. Where such trade is not consistent with the customer's usual business.

f. Suspicious Loan Transactions:

1. Customers who repay classified/problem loans before the expected time and for larger amounts than anticipated.
2. Customers who request loans against assets held by the financial institutions or third party, where the origin of those assets is not known, or the assets are inconsistent with the customer's standing.
3. Non-resident individuals who request loans secured by bank guarantees issued by foreign banks where the purpose of the transaction is questionable.
4. Loan transactions against pledge of deposits with financial institutions outside the country, especially if these were in countries known for the production, processing, or consumption of drugs or other serious criminal activities.

g. Suspicious Transactions using Electronic Banking Services:

1. When an account receives numerous small fund transfers electronically, and then the account holder carries out large transfers in the same way to another country.
2. Where a customer makes regular and large payments using different means including, electronic payments that cannot be clearly identified as bonafide transactions, or receive regular and large payments from countries known for serious criminal activities.
3. Where transfers from abroad which are received in the name of a customer of the bank or any financial institution electronically are then transferred abroad in the same way without passing through an account (i.e., they are not deposited then withdrawn from the account). Such transactions should be registered in the account and should appear in the account statement.