



**SUPPLEMENTARY INFORMATION**  
**Appendix FC- (iv)**  
**Examples of Suspicious Transactions**



**Examples of Suspicious Transactions History**

<b>Version Date</b>	<b>Description of Changes</b>
April 2006	Initial Launch



## **Appendix FC – (iv): Examples of Suspicious Transactions**

### **Introduction**

This Appendix provides some examples of transactions (or attempted transactions), where an investment firm licensee would be expected to make further enquiries to satisfy themselves as to the genuineness of the activity and the source of the funds. In the event of failure to do so, and the transaction subsequently being discovered to involve funds that are the proceeds of crime, then the firm (and the employees and agents concerned) could render themselves liable to prosecution, if they have not complied with the reporting requirements contained in Amiri Decree Law No. 4 of 2001, as well as in the AML/CFT regulations contained in Module FC (Financial Crime) of the BMA Rulebook, Volume 4 (Investment Business).

<b>MODULE</b>	<b>FC:</b>	<b>Financial Crime</b>
<b>APPENDIX</b>	<b>(iv):</b>	<b>Examples of Suspicious Transactions</b>

## New Business

Examples of new business-related suspicious transactions include:

- (a) a client that is unable or reluctant to provide satisfactory evidence of identity, or where the evidence presented is out of date, of poor quality or does not provide conclusive evidence;
- (b) a person who provides evidence of identity on behalf of the client, where it would be considered appropriate for the client to attend in person, and where the client is unable or reluctant to attend in person (where it would be reasonable to do so and in the absence of extenuating circumstances);
- (c) a client based in a country where production of drugs or drug trafficking may be prevalent;
- (d) any transaction in which the nature, size or frequency appears unusual, e.g. weak economic rationale for the transaction(s), or where the transaction(s) is structured in an unnecessarily complex or costly manner;
- (e) a transaction not in keeping with normal practice in the market to which it relates, e.g. with reference to size, cost or structure;
- (f) other transactions linked to the transaction in question which could be designed to disguise money and divert it into other forms or other destinations or beneficiaries; and
- (g) the pledging of large amounts of cash or securities as collateral for margin trading or for repo transactions where the customer has no obvious prior history in securities trading.