INDICATORS OF SUSPICIOUS TRANSACTIONS[i]

Where there is a business relationship, a suspicious transaction may be one which is inconsistent with a customer's or client's known legitimate business or personal activities or with the normal business activity of that type of account.

Indicators and questions to determine whether a customer's or client's transaction or activity is suspicious or not. These indicators may not always be immediately indicative of a suspicious transaction or activity but may give rise to further monitoring and due diligence.

1. Is the size of the transaction consistent with normal activities of the customer/client? Usually large cash transactions made by an individual or company whose ostensible business activities would normally be generated by cheques and other instruments.

2. Is the transaction rational in the context of the customer or client's business or personal activities? Substantial increases in cash deposits of any individual or business without apparent cause, especially if such deposits are subsequently transferred within a short period out of the account and to a destination not normally associated with the customer.

3. Has the pattern of the transactions conducted by the customer or client changed?

4. Where the transaction is international in nature, and the customer or client is based oversees, does the customer or client have any obvious reason for conducting business in Lesotho? If the customer or client is based in Lesotho, is there any obvious reason for the customer or client conducting business oversees?

5. Customers whose deposits contain counterfeit notes or forged instrument.

6. Customers who seek to exchange large quantities of low denominations notes for those of higher denominations.

7. Frequent exchange of cash into other currencies without good reason.

8. Customers transferring large sums of money to or from overseas locations with instructions for payment in cash.

9. Customers who have numerous accounts and pay in amounts of cash to each of hem in circumstance in which the total of credits would be a large amount.

10. 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 relationship to the account holder or his business (e.g. substantial increase in the turnover on an account).

11. Reluctance to provide normal information when establishing a business relationship, providing minimal or fictional information or, providing information that is difficult or expensive for and Accountable Institution to verify.

12. Paying large third party cheques endorsed in favour of he customer or client.

13. Large cash withdrawals from a previously dormant or inactive account or from an account which has just received an unexpected large credit from abroad.

14. Substantial increases in deposits of cash or negotiable instruments by a professional firm or company, using client accounts or in house company accounts, especially if the deposits are promptly transferred between other client company and trust accounts.

15. Large number of individuals making payments into the same account without adequate explanation.

16. Customers who request that account statements and other correspondence be kept at the Accountable Institution for collection or from whom correspondence is returned marked “not known at this address” e.t.c.
17. Frequent Request for Traveller’s cheques, foreign currency drafts or other negotiable instruments to be issued that are not consistent with known customer profile.

18. Changes in employee characteristics, including but not limited to lavish life styles.

19. Customers of Casinos who request that payouts be sent to third parties, particularly in jurisdictions which are not heir domicile.

20. Customers of casinos who deposit significant sums into their player accounts and hen withdraw the money without having undertaken much gaming activity.
21. Multiple loans obtained over a short period of time with repayments made in cash by either the contract owner or third parties.

22. Multiple transactions of a similar nature on the same day in different locations.

23. Purchasing high value assets including but not limited to movable and immovable property followed by immediate resale with payment requested via cheque.

24. Physical removal of large cash or negotiable instrument out of the country.

25. Third party presents for all transaction but does not participate in the actual transaction.

26. Use of an intermediary to make insurance policy payments.

27. Unusual large transfer of money from an individual to a business

28. Use of gate keepers including but not limited to accountants or lawyers to undertake transactions.

29. “U-turn” transactions occurring with funds being transferred out of the country and then portions of those finds returned.

30. Investment cheques issued to a family member

31. Frequents early repayments of loans.

32. Large cash deposits used for investments.

33. Large amounts of currency exchanged for travellers cheques.

34. Frequent transfers indicated as loans sent from relatives

35. Wire transfers to and from tax haven countries including but not limited to Vanuatu and British Virgin Islands.

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[i] Per guideline 18 of the Money Laundering (Accountable Institutions) Guidelines 2013