

## **RED FLAG INDICATORS FOR FILING AGENT / QUALIFIED INDIVIDUAL (CORPORATE SERVICE PROVIDERS)**

### **General Comments**

The following list is not meant to be exhaustive and should be used as a general guide only. The registered FA must file a suspicious transaction report if he believes that a transaction is suspicious. There may be, however, valid or legitimate explanation for a suspicious transaction in certain cases, in which case, a suspicious transaction report need not be filed.

### **Incorporation of shell companies**

- i) Companies registered in Singapore with no apparent business and low paid up capital.
- ii) Addresses of the FA or PO box addresses are used by the companies as their registered/mailing addresses.
- iii) Multiple bank accounts opened with various banks for no apparent economic or business reason.
- iv) Authorised bank signatories are usually foreign directors and shareholders are located overseas.
- v) Bank accounts are opened at around the same period foreign directors are in Singapore to incorporate their companies.
- vi) Frequent large incoming remittances into bank accounts from different individuals and companies, located mainly overseas.
- vii) After receipt of funds in the bank accounts, the funds are usually moved out of Singapore within the next few days. These bank accounts generally have low balances.
- viii) Transaction patterns in the bank accounts are often not in line with the company' principal business.

### **Indicators relating to other crimes**

- i) Clients give false/misleading explanation for CDD purposes
- ii) Clients unwilling/unable to provide information for CDD purposes
- iii) Clients use forged/fraudulent/ false identity documents for CDD purposes
- iv) Clients uncontactable for CDD purposes
- v) Clients featured in news adversely

- vi) Suspicious transactions involving entities involved in sensitive employment/responsibility
- vii) FA suspects client is a Political Exposed Persons
- viii) Unrealistic turnover in client's business accounts
- ix) Unusual/ uneconomical movement of funds