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