

Circular no. 5

Anti- Money Laundering (AML) Division

Subject: Instructions regarding method of Suspect Transaction Reports

Target:

Regards to AML and terrorist financing and providing necessary arrangements for implementing paragraph (H0 of AML law and chapter first and second of General circular no. 91 issued by audit, supervision and legal departments, Instructions regards method of Suspect Transaction Reports shall be notified as follow.

Descriptions

- **Suspicious Transactions and Deals:** It refers to transactions and deals which upon information or documents and logical evidence may be aroused suspicious that herein transactions and deals undertaken for purpose of money laundering or financing terrorism.

Note: Documents and logical evidence refer to conditions and circumstances which shall be aroused suspicious and doubt for a normal human regards source of a (legal, natural) entity Property and deposit or other operations.

Reporting:

Article 1-It is all staff duty, upon condition of observing any SRT, reporting herein matters to thereof branch AML unit without prior notice to customer. The said reports shall be considered confidential, Violators will be treated equally before the law if leaks.

Article 2- The concerned staff shall be obliged to submit thereof reports to management and subsequently to be reflected to AML.

Note 1-The list of some criteria for identifying STR is updated on secretariat database website: www.iranaml.ir continually, branch shall be obliged to refer regularly to concerned database for extracting the latest update of a/m list, extracting the last updated list and make thereof to practice.

Note 2-The identification of concerned staff at branch pursuant to STR, has the first priority and the said criteria in a/m database shall be consisted just part of the criteria.

Article 3-It is upon branch duty in case happened any suspicious regards money laundering by customer whether subject to retail or basic banking, to make attempt to report to AML.

Article 4-In the event while preparing the other reports, if it happens to confront by any STR case; moreover, preparing report thereof and shall report to AML.

Article 5-Reporting STR and other's which related staff have responsibility to report thereof to AML., expresses no charge to people and thereof notification to said office shall not be accounted as disclosure of personal secrets; subsequently there shall no charges against reporters.

Preserving customer records and deals thereto

Article 5-The branch shall be obliged to maintain and preserve document pursuant to STR reports according regulations and procedures for maintenance of commercial papers, banking documents and journals (subject to I.R.I central bank circular no.89/80223 dated 1389/4/15 and organization and improvement methods administration circular no.184.

Instance of STR cases

Suspicious regions

- Receive or payment from/to countries which shall be considered as Tax haven and had popularity for breaking rules of AML,
- The customer has the nationality of countries which thereon AML regulation is weak.

Rial STR (EXECUTED-STARTED)

- Transactions under suspicious of existence a third party whom has not been declared,
- Transactions with the same phone and address of people who have nothing in common,
- Transactions which thereof several financial or non-financial organizations belongs to foreign nationals have been indulged.
- Frequent operation and banking transaction less than stipulated cash fund limit for purpose of excluding AML regulation.
- Transactions pursuant to high rank bank officials.
- Withdrawing several high amount checks with no compliance with the nature of customer professional activity and creating nominal turnover thereto,
- Business deals further than stipulated limit value which has discrepancy with subject of customer activity and targets thereto.
- Transactions which upon norm trend of concerned people appear to be complex, no-ordinary and have no clear economical purpose.
- Transactions which to be determined by anyway, at least one of thereof nominal parties, real beneficiary, is the other person(s).

-Forgery identification, false declaration and unreal report from client, post or prior of executing a transaction and meanwhile providing basic services,

Suspicious Financial Facilities

-Credit collaterals, it refers to properties which have no connection with the facility applicant.

-Providing high value collaterals which do not be complied with customer economical condition.

-Failure to repay loan or past due credits and differed for purpose of providing bank the collateral illegal origin,

- Repayment of loans and credits maturing in future unexpectedly in a short time which has lack of compliance with borrower provided information,

Suspected use of banking derivatives

-The safe box is rented by commercial institution meanwhile the nature of customer commercial activity shall not be clear or thereof declared activity shall not be satisfactory for renting a safe box.

Suspicious documents

-The documents appear forged (**its** paper is not as **old** as **its** purported **date**)

-The customer provides copy of documents and refusing for original one.

Accounts with suspicious activities

-The account which is opened by a legal institution and the address is exactly the same as the other legal institution meanwhile both accounts holder of authenticated signature is same person,

-Special monitoring on all charity accounts

Suspicious customer

- The customer has no information pursuant to deals with other people and thereof people.
- The customer frequently without any reason attempts to change thereof authenticated represented persons.
- The customer does not care about bank provided services and interests.
- The customer accompany with third parties whom has not any correspondent with thereof while refers to bank or a third party monitor thereof activity.
- The customer does not declare thereof non-acceptance of the other Banks or regards thereof non-acceptance providing unacceptable excuses.
- The customer shows high interest to bank internal rules and regulation in the field of AML.
- The customer who on a single day and regards multiple transactions refers to different cashiers.

Suspicious foreign exchanges

- Emphasizing for using different and false names regards buyer or beneficiary names of LC.
- Emphasizing for inserting unusual vehicle in LC conditions with regards to type of goods, origin and destination of goods.
- .Incompatibility between declared commodity price of LC beneficiary Performa and world prices
- Without any reason requesting goods certificate of origin shall be issued by local chamber of commerce.

-Request exemption regards providing certificate of inspection as one of LC documents regarding commodity type and other LC terms.

-Amending LC beneficiary name without any reason.

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