

Anti-Money Laundering Seminar 2016 (Banking Sector)

September 2016

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Joint Financial
Intelligence Unit



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- ✓ Overview of STR Situation
- ✓ STR Observation
- ✓ Food For Thought

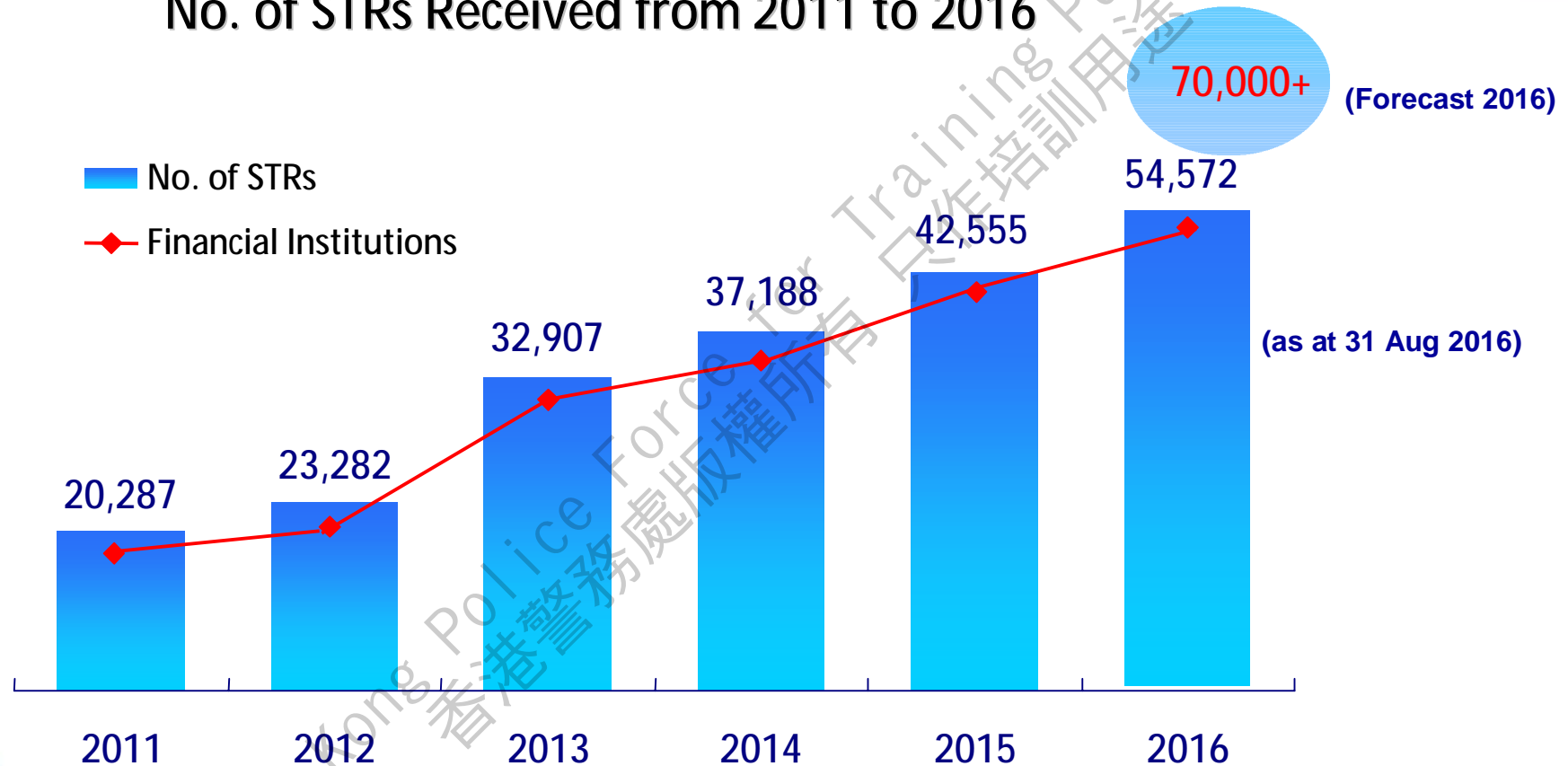


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STR Overview

No. of STRs Received from 2011 to 2016

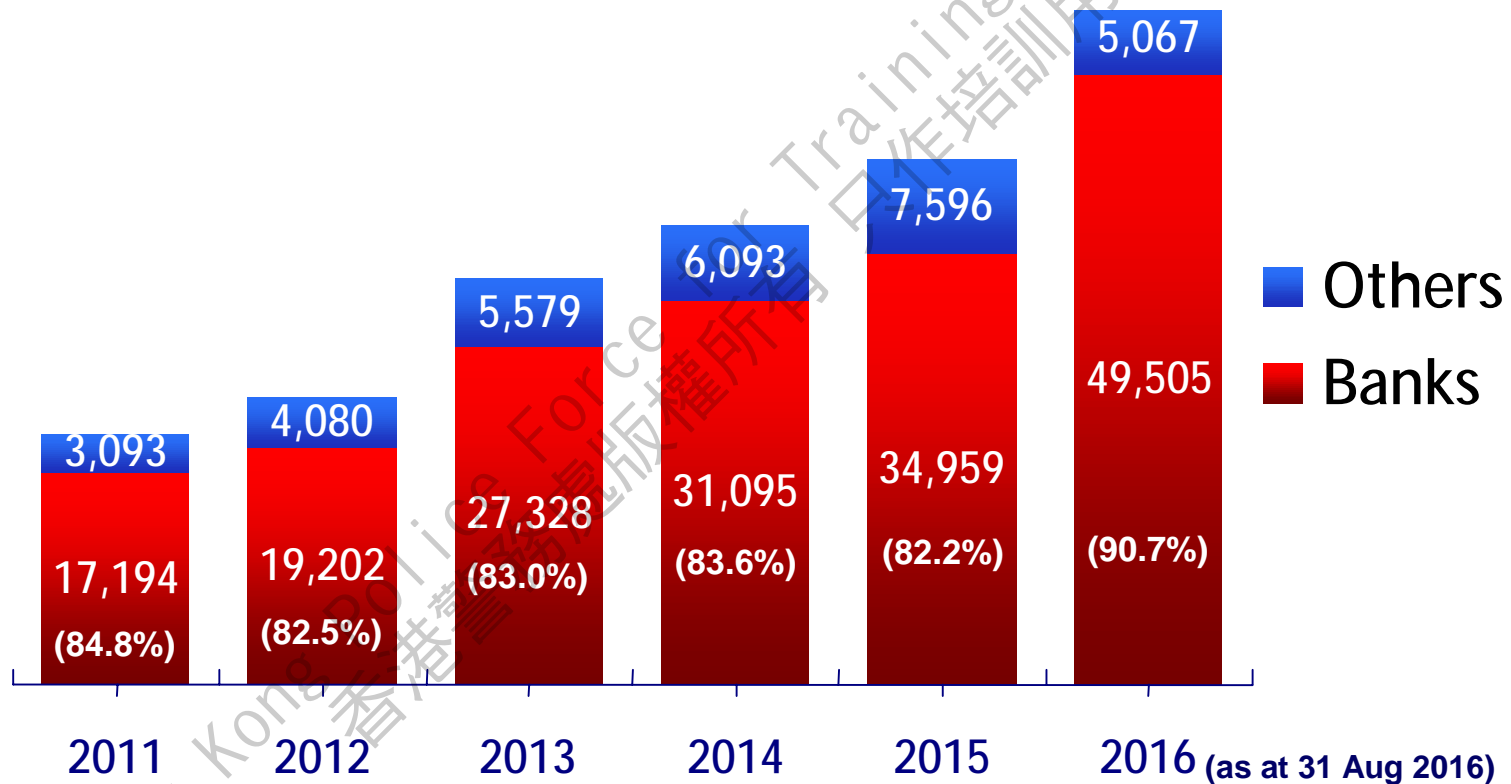


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STR Overview

No. of STRs Filed by Banks from 2011 to 2016

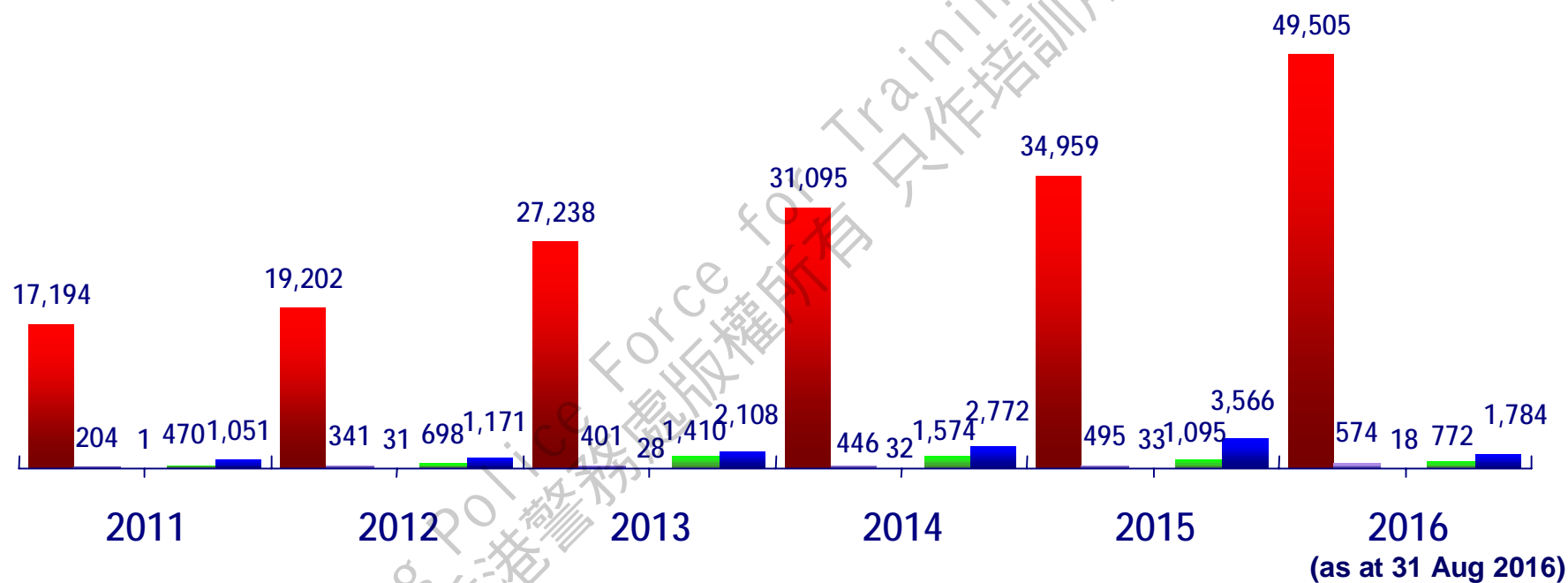


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STR Overview

No. of STRs Filed by Financial Sector from 2011 to 2016



■ Banks
 ■ Insurance Companies
 ■ Money Lenders
 ■ Securities
 ■ MSOs

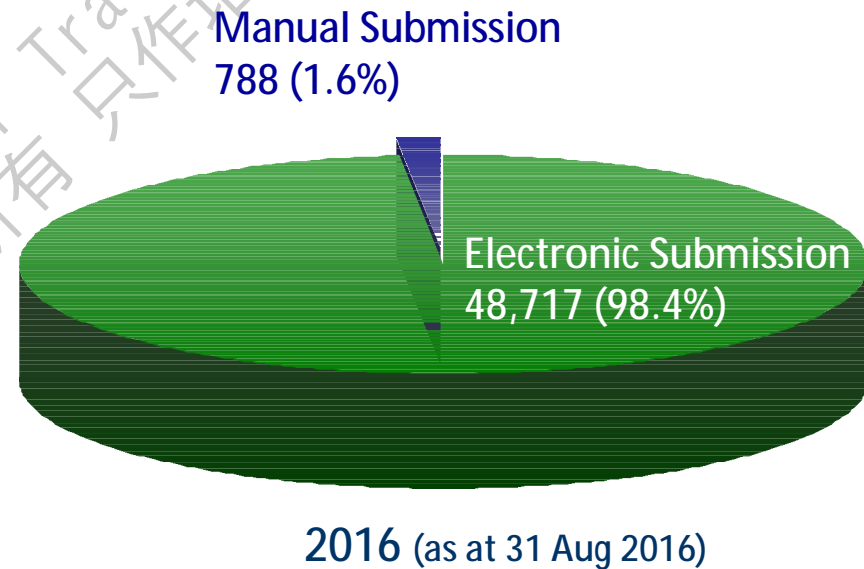
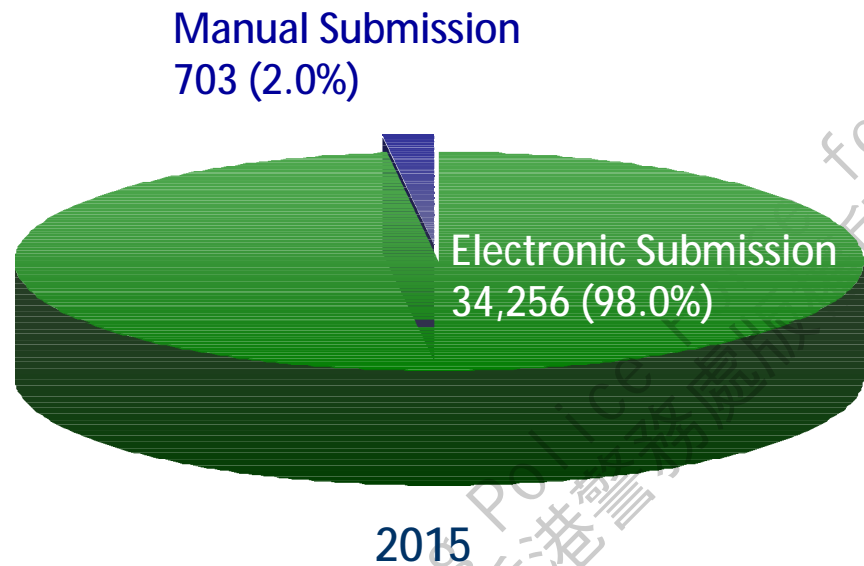


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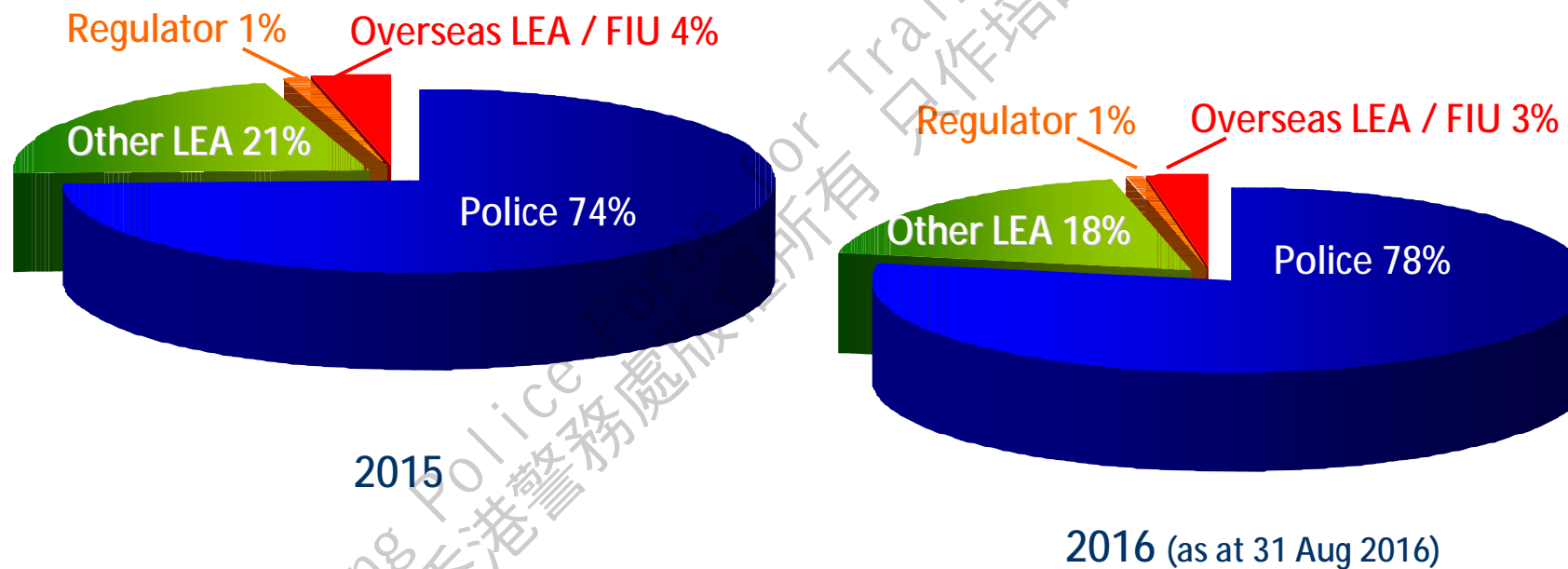
STR Overview

Means of STR Submission by Banks



STR Overview

Dissemination of Financial Intelligence in 2015 and 2016



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General Observation on STR Submission



- Detailed background on subject entity
- Standardized Format / Structure
- Quote of open source reference



- Information overflow
- Multiple Reporting of entities in one STR
- Defensive Reporting



What JFIU expects from an STR?

ü 'Concise and Precise' information in the field of 'Suspected Crime' or 'Suspected Indicator'

- Undesirable to simply write, 'Please refer to the attached STR Report...'
'Please refer to the word file attachment for narrative comment'...etc.
- A gist/summary of the report should be included...What, Who, Why, When, How.
- Confusion about the 'main' subject of the report. Separate STR should be filed on other entities.



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What JFIU expects from an STR?

ü Well-structured with clear format

- A consistent format is preferably for the same reporting entity
- Use of headings, i.e. Triggering Event, Background, Transaction history, KYC/CDD enquiries, Way Forward/Conclusion...etc.
- Keep it short and avoid lengthy report



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What JFIU expects from an STR?

ü Attachment should be kept to minimum

- Essential and relevant document are welcome such as transaction records, bank statements, opening mandates...etc.
- Open source document are not required unless it forms the basis of the report
- File names should be self-explanatory



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What JFIU expects from an STR?

ü **SAFE** Approach should be adopted

- Suspicion should not be a flimsy allegation, e.g. 'deviate from normal customer/business practices', 'large transaction incommensurate with customer profile'
- 'Transaction' is not the only source of suspicion
- Do not report solely based on transaction monitoring system



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Food For Thought

Ø How to maintain an 'effective' STR Regime ?

- Quantity vs Quality ?
- IT Upgrade ? Workflow Re-engineering ? Manpower ?
- Feedback for Operational Outcomes ?
- Sharing of information / intelligence ? Legislation support ?



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Thank You

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