

BANK OF NAMIBIA

FINANCIAL INTELLIGENCE CENTRE

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FINANCIAL INTELLIGENCE CENTRE

GUIDANCE NOTE NO.1 OF 2009 ON
SUSPICIOUS TRANSACTION REPORTING

MARCH 2009

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1. INTRODUCTION

1.1 General

The Financial Intelligence Act, 2007 (Act No.3 of 2007) (Act or Financial Intelligence Act) requires a very broad spectrum of persons involved in commercial activities, as well as the governmental supervisors thereof, to report suspicious transactions to the Financial Intelligence Centre, Bank of Namibia (FIC).

There are two sections of the Act that specify the persons or entities required to report suspicious transactions, namely, sections 21(1) and 23(1). Under section 21(1) suspicious transactions must be reported by any person who:

- carries on any business;
- carries on the business of an accountable institution;
- is in charge of, or manages a business undertaking;
- is in charge of a business undertaking of an accountable institution
- is a director of, secretary to the board of, employed or contracted by any business; or
- is a director of, secretary to the board of, employed or contracted by the business of an accountable institution

Under section 23(1) suspicious transactions must be reported by any supervisory body listed in Schedule 2 of the Act. In this Guidance Note the aforesaid persons and entities will be referred to as “any person or entity” or “persons or entities”.

This Guidance Note has been issued to help persons or entities envisaged under sections 21 and 23 of the Act to meet their obligation of reporting suspicious transactions to the FIC.

A suspicious transaction is one for which there are reasonable grounds to suspect that the transaction in question has a connection with, or is related to, the proceeds of unlawful activities or is connected with, or related to, a money laundering offence. For the purposes of this Guidance Note a suspicious transaction includes one that was

attempted. Thus, throughout this Guidance Note, a “transaction” includes one that is either completed or attempted.

This Guidance Note contains indicators of suspicious transactions that might be useful in helping you assess whether a transaction is suspicious and should be reported. It is not intended as a substitute for your own assessment, based on your knowledge and experience, as well as the specific circumstances of the financial transaction.

This Guidance Note uses plain language to explain common reporting situations under the Act, as well as the related Regulations. It is provided as general information only. It is not legal advice and is not intended to replace the Act and Regulations. Sections 21 and 23 of the Act impose an obligation on certain persons and entities to report suspicious transactions to the FIC. In order to attain this objective, the FIC is empowered under the Act to issue guidance notes to accountable institutions to ensure compliance with the provisions of the Act. This Guidance Note is issued and published by the FIC in terms of sections 5(2)(e) and 5(3)(e) of the Act.

1.2 Commencement

This guidance note shall come into effect on

1.3 Definitions

"FATF" means the Financial Action Task Force ;

“Act” refers to the Financial Intelligence Act, 2007 (Act No 3 of 2007);

“FIC” means the Financial Intelligence Centre, Bank of Namibia ;

"PALERMO CONVENTION" refers to the United Nations Convention on Transnational Organized Crime;

“**POCA**” refers to the Prevention of Organized Crime Act, 2004 (Act No.29 of 2004), as amended;

“**Regulations**” refer to the regulations made under the provisions of section 48 of the Act and published by Government Notice No..... of 2009 promulgated in Government Gazette No...dated2009;

“**Reporter**” refers to the person or entity making the report;

“**STR**” refers to a suspicious transaction report submitted to the FIC in terms of section 21 of the Act.

1.4 Application of this Guidance Note

The FIC has prepared this Guidance Note to assist accountable institutions and any other person or entity described in sections 21(1) and 23(1) of the Act in meeting their reporting obligations. It provides general guidance on the nature of reporting under sections 21 and 23(1) and explains reporting timelines, how reports have to be sent to the FIC, what information has to be included in these reports and how to use the electronic reporting mechanism. Guidance provided by the FIC is the only form of guidance formally recognized in terms of the Act and its Regulations. Viewed from this perspective, guidance emanating from industry associations or other organizations, except Supervisory Bodies, does not necessarily have a bearing on assessing compliance with the obligations imposed by the Act or the interpretation of its provisions.

The guidance provided by the FIC in this Guidance Note, although authoritative, is provided as general information only.

2. THE FINANCIAL INTELLIGENCE CENTRE

2.1 Functions of the FIC

The FIC is Namibia's specialized institution created to collect, analyze and disclose financial information and intelligence on suspected money laundering, and to enforce compliance with the provisions of the Act. Created in 2006, the FIC is situated in the Bank of Namibia and is an integral part of Namibia's efforts to prevent and combat money laundering.

The Centre was created to detect and deter money laundering by providing critical information to support the investigation or prosecution of money laundering offences.

More specifically, the FIC's function is to:

- receive reports on suspicious transactions (sections 21 and 23(1) of the Act);
- receive reports on cash transactions in excess of prescribed amounts (section 20 of the Act);
- receive reports on electronic transfers of money in excess of prescribed amounts to or from Namibia (section 22 of the Act);
- receive reports on the conveyances of cash in excess of prescribed amounts to or from Namibia (section 24 of the Act);
- receive other information as appropriate (section 5 of the Act);
- analyze and assess the information it receives (section 5 of the Act);
- provide law enforcement agencies with high quality financial intelligence that would be relevant to the investigation or prosecution of money laundering offences and, if such intelligence is relevant to the national security of Namibia, to disclose such intelligence to the Namibia Central Intelligence Service (sections 5 and 34 of the Act);
- ensure compliance by Accountable Institutions and Supervisory Bodies with their obligations under the Act and regulations (section 5 of the Act);

3. MONEY LAUNDERING ACTIVITIES

3.1 Criminalisation of Money Laundering

The relevant legal statute that criminalizes money laundering is the Prevention of Organized Crime Act, 2004 (Act No. 29 of 2004) (POCA). Under the provisions of POCA, the scope of criminalization of Money laundering is wide and it entails the following:

- the disguising of unlawful origin of property;
- assisting another person to benefit from proceeds of unlawful activities; and
- acquisition, possession or use of proceeds of unlawful activities.

Money laundering has been criminalized in sections 4, 5 and 6 of POCA. As such, a money laundering offence may be described as the performing of any act that may result in concealing the nature of the proceeds of crime or enabling a person to avoid prosecution or in the diminishing of the proceeds of crime. A money laundering offence may also extend to property or proceeds derived from illegal activities that took place outside Namibia.

On the other hand, the Financial Intelligence Act defines “money laundering” or “money laundering activity” as follows:

- (a) the act of a person who -
- (i) engages, directly or indirectly, in a transaction that involves proceeds of any unlawful activity;
 - (ii) acquires, possesses or uses or removes from or brings into Namibia proceeds of any unlawful activity; or

- (iii) conceals, disguises or impedes the establishment of the true nature, origin, location, movement, disposition, title of, rights with respect to, or ownership of, proceeds of any unlawful activity;

where -

- (aa) as may be inferred from objective factual circumstances, the person knows or has reason to believe, that the property is proceeds from any unlawful activity; or

- (bb) in respect of the conduct of a person, the person without reasonable excuse fails to take reasonable steps to ascertain whether or not the property is proceeds from any unlawful activity; and

- (b) any activity which constitutes an offence as defined in section 4, 5 or 6 of the Prevention of Organised Crime Act, 2004 (Act No. 29 of 2004);

Apart from criminalizing the activities constituting money laundering, Namibian law also contains a number of control measures aimed at facilitating the detection and investigation of money laundering. These control measures, as contained in the Act, are based on three basic principles of money laundering detection and investigation, namely:

- intermediaries in the financial system must know with whom they are doing business;
- the paper trail of transactions through the financial system must be preserved;
- possible money laundering transactions must be brought to the attention of the FIC.

The control measures introduced by the Act include requirements for institutions to establish the identities of their customers, to keep certain records, to report certain information, and to implement measures that will assist them in complying with the Act. The Act has provided the FIC with the necessary powers to collect, analyse and interpret information which may lead or relate to money laundering and if necessary to disseminate such information to law enforcement agencies in Namibia.

3.2 Process of Money Laundering

Money laundering is the process used to disguise the source of money or assets derived from criminal activity. Profit-motivated crimes span a variety of illegal activities from drug trafficking and smuggling to fraud, extortion and corruption. Money laundering facilitates corruption and can destabilize the economies of susceptible countries. It also compromises the integrity of legitimate financial systems and institutions, and gives organized crime the funds it needs to conduct further criminal activities. It is a global phenomenon, and the techniques used are numerous and can be very sophisticated. Technological advances in e-commerce, the global diversification of financial markets and new financial product developments provide further opportunities to launder illegal profit and obscure the money trail leading back to the underlying crime.

While the techniques for laundering funds vary considerably and are often highly intricate, there are generally three stages in the process:

- Placement: involves placing the proceeds of crime in the financial system;
- Layering: involves converting the proceeds of crime into another form and creating complex layers of financial transactions to disguise the audit trail and the source and ownership of funds (e.g., the buying and selling of stocks, commodities or property); and,
- Integration: involves placing the laundered proceeds back in the economy under a veil of legitimacy.

4. WHAT IS MEANT BY SUSPICIOUS

4.1 Reasonable Grounds to Suspect

Suspicious transactions are transactions that you have reasonable grounds to suspect are related to the commission of a money laundering offence .

Reasonable grounds to suspect is determined by what is reasonable in your circumstances, including normal business practices and systems within your industry. While the Act and Regulations do not specifically require you to implement or use an automated system for detecting suspicious transactions, you may decide that such a system would be beneficial to your business. Your compliance program will have to include an assessment, in the course of your activities, of the risk of money laundering. According to this assessment, in higher risk situations, you will have to take reasonable measures to conduct ongoing monitoring for the purpose of detecting suspicious transactions (see Guidance Note on Compliance).

4.2 Completed or Attempted Transactions

The requirement for you to report a suspicious transaction applies if you have reasonable grounds to suspect as explained herein above. This applies not only when the financial transaction has been completed, but also, when it has been attempted.

4.2.1 Completed transactions

A completed transaction is one that has occurred. For example, if you process a deposit from a client towards the purchase of an asset such as a life insurance policy or a house, a financial transaction has occurred. This is true even if the final sale associated to the deposit does not go through. In this example, the refund of the deposit would also be a financial transaction.

4.2.2 Attempted transactions

An attempted transaction is one that a client intended to conduct and took some form of action to do so. An attempted transaction is different from a simple request for information, such as an enquiry as to the fee applicable to a certain transaction. An attempted transaction includes entering into negotiations or discussions to conduct the transaction and involves concrete measures to be taken by either you or the client.

The following are examples of attempted transactions:

- A client approaches a financial institution or casino to make a deposit, but the financial institution or casino refuses to accept the deposit because the client refuses to provide identification as requested;
- A client approaches a securities dealer or life insurance agent to conduct a transaction such as buying securities or life insurance, but the securities dealer or life insurance agent refuses to process a transaction because the client insists on using cash;
- A client of a real estate agent starts to make an offer on the purchase of a house with a large deposit, but will not finalize the offer once asked to provide identification;
- An individual asks an accountant to facilitate a financial transaction involving large amounts of cash but the accountant declines to conduct the transaction;
- A client requests a money services business to transfer a large amount of funds, but the money services business refuses because the client requesting the transfer refuses to provide identification.

For you to have to report an attempted transaction, it must be one that you have reasonable grounds to suspect that it is related to proceeds of unlawful activities and or a money laundering offence. An attempt to conduct a transaction does not necessarily mean the transaction is suspicious. However, the circumstances surrounding it might contribute to you having reasonable grounds for suspicion.

5 IDENTIFYING A SUSPICIOUS TRANSACTION

5.1 How to Identify a Suspicious Transaction

There is no monetary threshold for making a report on a suspicious transaction. A suspicious transaction may involve several factors that may on their own seem insignificant, but when taken together may raise suspicion that the transaction is related to the commission or attempted commission of a money laundering offence.

As a general guide, a transaction may be connected to a money laundering offence when you think that it (or a group of transactions) raises questions or gives rise to discomfort, apprehension or mistrust.

The context, in which the transaction occurs or is attempted, is a significant factor in assessing suspicion. This will vary from business to business and from one client to another. You should evaluate transactions in terms of what seems appropriate and is within normal practice in your particular line of business, and based on your knowledge of your client. The fact that transactions do not appear to be in keeping with normal industry practices may be a relevant factor for determining whether there are reasonable grounds to suspect that the transactions are related to money laundering.

An assessment of suspicion should be based on a reasonable evaluation of relevant factors, including the knowledge of the customer's business, financial history, background and behavior. Remember that behavior is suspicious, not people. Also, it could be the consideration of many factors, not just one factor, that will lead you to a conclusion that there are reasonable grounds to suspect that a transaction is related to the commission or attempted commission of a money laundering offence. All circumstances surrounding a transaction should be reviewed.

You have to assess whether there are reasonable grounds to suspect that a transaction, whether completed or attempted, is related to a money laundering offence. The following information concerning indicators is provided to help you with this.

5.2 Indicators of Suspicious Transactions

The indicators that follow are provided to help assess whether or not transactions might give rise to reasonable grounds for suspicion. They are examples of common and industry-specific indicators that may be helpful when evaluating transactions, whether completed or attempted. They include indicators based on certain characteristics that have been linked to money laundering in the past.

These indicators emanates from money laundering typologies and or trends as experienced and developed in other jurisdictions. As money laundering is a global phenomenon, these typologies and or trends are relevant and helpful to Namibian institutions in that they reflect a pattern or behavior that prompts deployment of diligence in any given transaction. They are not intended to cover every possible situation and are not to be viewed in isolation. A single indicator is not necessarily indicative of reasonable grounds to suspect money laundering. However, if a number of indicators are present during a transaction or a series of transactions, then you might want to take a closer look at other factors prior to making the determination as to whether the transaction must be reported.

The indicators have to be assessed in the context in which the transaction occurs or is attempted. Each indicator may contribute to a conclusion that there are reasonable grounds to suspect that the transaction is related to the commission or attempted commission of a money laundering offence. However, it may also offer no indication of this in light of factors such as the client's occupation, business, financial history and past investment pattern. Taken together, the presence of one or more indicators as well as your knowledge of your client's business or financial affairs may help you identify

suspicious transactions.

Some of the indicators provided could result in the transaction being aborted if the client requests a service that is prohibited by your business or by your anti-money laundering measures. Your policies, standards and procedures may already reflect these as inappropriate or questionable.

Becoming aware of certain indicators could trigger reasonable grounds to suspect that one or more transactions from the past (that had not previously seemed suspicious) were related to money laundering. For example, this could happen if it were reported in the media or some other reliable source that one of your clients is suspected of being involved in illegal activity. If this amounts to suspicion regarding a previous transaction with this client, you would have to report it to the FIC within 15 days after establishing a suspicion.

6. SPECIFIC EXAMPLES OF INDICATORS OF SUSPICIOUS TRANSACTIONS

The following are examples of common indicators that may point to a suspicious transaction.

6.1 General

- Client admits or makes statements about involvement in criminal activities.
- Client does not want correspondence sent to home address.
- Client appears to have accounts with several financial institutions in one area for no apparent reason.
- Client conducts transactions at different physical locations in an apparent attempt to avoid detection.
- Client repeatedly uses an address but frequently changes the names involved.
- Client is accompanied and watched.

- Client shows uncommon curiosity about internal systems, controls and policies.
- Client has only vague knowledge of the amount of a deposit.
- Client presents confusing details about the transaction or knows few details about its purpose.
- Client appears to informally record large volume transactions, using unconventional bookkeeping methods or “off-the-record” books.
- Client over justifies or explains the transaction.
- Client is secretive and reluctant to meet in person.
- Client is nervous, not in keeping with the transaction.
- Client is involved in transactions that are suspicious but seems blind to being involved in money laundering activities.
- Client’s home or business telephone number has been disconnected or there is no such number when an attempt is made to contact client shortly after opening account.
- Normal attempts to verify the background of a new or prospective client are difficult.
- Client appears to be acting on behalf of a third party, but does not tell you.
- Client is involved in activity out-of-keeping for that individual or business.
- Client insists that a transaction be done quickly.
- Inconsistencies appear in the client’s presentation of the transaction.
- The transaction does not appear to make sense or is out of keeping with usual or expected activity for the client.
- Client appears to have recently established a series of new relationships with different financial entities.
- Client attempts to develop close rapport with staff.
- Client uses aliases and a variety of similar but different addresses.
- Client spells his or her name differently from one transaction to another.
- Client uses a post office box or General Delivery address, or other type of mail drop address, instead of a street address when this is not the norm for

that area.

- Client provides false information or information that you believe is unreliable.
- Client offers you money, gratuities or unusual favours for the provision of services that may appear unusual or suspicious.
- Client pays for services or products using financial instruments, such as money orders or traveler's cheques, without relevant entries on the face of the instrument or with unusual symbols, stamps or notes.
- You are aware that a client is the subject of a money laundering.
- You are aware or you become aware, from a reliable source (that can include media or other open sources), that a client is suspected of being involved in illegal activity.
- A new or prospective client is known to you as having a questionable legal reputation or criminal background.
- Transaction involves a suspected shell entity (that is, a corporation that has no assets, operations or other reason to exist).

6.2 Knowledge of Reporting or Record Keeping Requirements

- Client attempts to convince an employee not to complete any documentation required for the transaction.
- Client makes inquiries that would indicate a desire to avoid reporting.
- Client has unusual knowledge of the law in relation to suspicious transaction reporting.
- Client seems very conversant with money laundering or terrorist activity financing issues.
- Client is quick to volunteer that funds are "clean" or "not being laundered."
- Client appears to be structuring amounts to avoid record keeping, client identification or reporting thresholds.
- Client appears to be collaborating with others to avoid record keeping, client identification or reporting thresholds.

6.3 Identity Documents

- Client provides doubtful or vague information.
- Client produces seemingly false identification or identification that appears to be counterfeited, altered or inaccurate.
- Client refuses to produce personal identification documents.
- Client only submits copies of personal identification documents.
- Client wants to establish identity using something other than his or her personal identification documents.
- Client's supporting documentation lacks important details such as a phone number.
- Client inordinately delays presenting corporate documents.
- All identification presented is foreign or cannot be checked for some reason.
- All identification documents presented appear new or have recent issue dates.
- Client presents different identification documents at different times.
- Client alters the transaction after being asked for identity documents.
- Client presents different identification documents each time a transaction is conducted.

6.4 Cash Transactions

- Client starts conducting frequent cash transactions in large amounts when this has not been a normal activity for the client in the past.
- Client frequently exchanges small bills for large ones.
- Client uses notes in denominations that are unusual for the client, when the norm in that business is different.
- Client presents notes that are packed or wrapped in a way that is uncommon for the client.
- Client deposits musty or extremely dirty bills.
- Client makes cash transactions of consistently rounded-off large amounts

(e.g., N\$4,900, N\$4,500, etc.).

- Client consistently makes cash transactions that are just under the reporting threshold amount in an apparent attempt to avoid the reporting threshold.
- Client consistently makes cash transactions that are significantly below the reporting threshold amount in an apparent attempt to avoid triggering the identification and reporting requirements.
- Client presents uncounted funds for a transaction. Upon counting, the client reduces the transaction to an amount just below that which could trigger reporting requirements.
- Client conducts a transaction for an amount that is unusual compared to amounts of past transactions.
- Client frequently purchases traveler's cheques, foreign currency drafts or other negotiable instruments with cash when this appears to be outside of normal activity for the client.
- Client asks you to hold or transmit large sums of money or other assets when this type of activity is unusual for the client.
- Shared address for individuals involved in cash transactions, particularly when the address is also for a business location, or does not seem to correspond to the stated occupation (for example, student, unemployed, self-employed, etc.)
- Stated occupation of the client is not in keeping with the level or type of activity (for example a student or an unemployed individual makes daily maximum cash withdrawals at multiple locations over a wide geographic area).
- Cash is transported by a cash courier.
- Large transactions using a variety of denominations.

6.5 Economic Purpose

- Transaction seems to be inconsistent with the client's apparent financial standing or usual pattern of activities.

- Transaction appears to be out of the normal course for industry practice or does not appear to be economically viable for the client.
- Transaction is unnecessarily complex for its stated purpose.
- Activity is inconsistent with what would be expected from declared business.
- A business client refuses to provide information to qualify for a business discount.
- No business explanation for size of transactions or cash volumes.
- Transactions of financial connections between businesses that are not usually connected (for example, a food importer dealing with an automobile parts exporter).
- Transaction involves non-profit or charitable organization for which there appears to be no logical economic purpose or where there appears to be no link between the stated activity of the organization and the other parties in the transaction.

6.6 Transactions Involving Accounts

- Opening accounts when the client's address is outside the local service area.
- Opening accounts in other people's names.
- Opening accounts with names very close to other established business entities.
- Attempting to open or operating accounts under a false name.
- Account with a large number of small cash deposits and a small number of large cash withdrawals.
- Funds are being deposited into several accounts, consolidated into one and transferred outside the country.
- Client frequently uses many deposit locations outside of the home branch location.
- Multiple transactions are carried out on the same day at the same branch but with an apparent attempt to use different tellers.
- Activity far exceeds activity projected at the time of opening of the account.

- Establishment of multiple accounts, some of which appear to remain dormant for extended periods.
- Account that was reactivated from inactive or dormant status suddenly sees significant activity.
- Reactivated dormant account containing a minimal sum suddenly receives a deposit or series of deposits followed by frequent cash withdrawals until the transferred sum has been removed.
- Unexplained transfers between the client's products and accounts.
- Large transfers from one account to other accounts that appear to be pooling money from different sources.
- Multiple deposits are made to a client's account by third parties.
- Deposits or withdrawals of multiple monetary instruments, particularly if the instruments are sequentially numbered.
- Frequent deposits of bearer instruments (for example, cheques, money orders) in amounts just below a determined threshold.
- Unusually large cash deposits by a client with personal or business links to an area associated with drug trafficking.
- Regular return of cheques for insufficient funds.
- Correspondent accounts being used as "pass-through" points from foreign jurisdictions with subsequent outgoing funds to another foreign jurisdiction.
- Multiple personal and business accounts are used to collect and then funnel funds to a small number of foreign beneficiaries, particularly when they are in locations of concern, such as countries known or suspected to facilitate money laundering activities.

6.7 Transactions Involving Areas outside Namibia

- Client and other parties to the transaction have no apparent ties to Namibia.
- Transaction crosses many international lines.
- Use of a credit card issued by a foreign bank that does not operate in Namibia by a client that does not live and work in the country of issue.

- Cash volumes and international remittances in excess of average income for migrant worker clients.
- Excessive demand for migrant remittances from individuals or entities based on migrant worker population.
- Transactions involving high-volume international transfers to third party accounts in countries that are not usual remittance corridors.
- Transaction involves a country known for highly secretive banking and corporate law.
- Transactions involving any countries deemed by the Financial Action Task Force as requiring enhanced surveillance.
- Foreign currency exchanges that are associated with subsequent wire transfers to locations of concern, such as countries known or suspected to facilitate money laundering activities.
- Deposits followed within a short time by wire transfer of funds to or through locations of concern, such as countries known or suspected to facilitate money laundering activities.
- Transaction involves a country where illicit drug production or exporting may be prevalent, or where there is no effective anti-money-laundering system.
- Transaction involves a country known or suspected to facilitate money laundering activities.

6.8 Transactions Related to Offshore Business Activity

Any individual or entity that conducts transactions internationally should consider the following indicators.

- Accumulation of large balances, inconsistent with the known turnover of the client's business, and subsequent transfers to overseas account(s).
- Frequent requests for traveler's cheques, foreign currency drafts or other negotiable instruments.
- Loans secured by obligations from offshore banks.
- Loans to or from offshore companies.

- Offers of multimillion-dollar deposits from a confidential source to be sent from an offshore bank or somehow guaranteed by an offshore bank.
- Transactions involving an offshore “shell” bank whose name may be very similar to the name of a major legitimate institution.
- Unexplained electronic funds transfers by client on an in and out basis.
- Use of letter-of-credit and other method of trade financing to move money between countries when such trade is inconsistent with the client’s business.
- Use of a credit card issued by an offshore bank.

7. INDUSTRY-SPECIFIC INDICATORS

In addition to the general indicators outlined above, the following industry-specific indicators may point to a suspicious transaction, whether completed or attempted. Remember that behavior is suspicious, not people. Also, it is the consideration of many factors not any one factor that will lead to a conclusion that there are reasonable grounds to suspect that a transaction is related to the commission or attempted commission of a money laundering offence. All circumstances surrounding a transaction should be reviewed within the context of your knowledge of your client.

Taken together, the general and industry-specific indicators that apply to your business may help you identify suspicious transactions. Depending on the services you provide, you may need information about indicators in more than one of the following sections. For example, if you are a financial advisor, you might sell both life insurance products and securities products.

7.1 Financial Entities

The following indicators are for your consideration if you are an institution that opens accounts and holds deposits on behalf of individuals or entities.

Personal Transactions

- Client appears to have accounts with several financial institutions in one geographical area.
- Client has no employment history but makes frequent large transactions or maintains a large account balance.
- The flow of income through the account does not match what was expected based on stated occupation of the account holder or intended use of the account.
- Client makes one or more cash deposits to general account of foreign correspondent bank (i.e., pass-through account).
- Client makes frequent or large payments to online payment services.
- Client runs large positive credit card balances.
- Client uses cash advances from a credit card account to purchase money orders or drafts or to wire funds to foreign destinations.
- Client takes cash advance to deposit into savings or cheque account.
- Large cash payments for outstanding credit card balances.
- Client makes credit card overpayment and then requests a cash advance.
- Client visits the safety deposit box area immediately before making cash deposits.
- Client wishes to have credit and debit cards sent to international or domestic destinations other than his or her address.
- Client has numerous accounts and deposits cash into each of them with the total credits being a large amount.
- Client deposits large endorsed cheques in the name of a third-party.
- Client frequently makes deposits to the account of another individual who is not an employer or family member.
- Client frequently exchanges currencies.
- Client frequently makes automatic banking machine deposits just below the reporting threshold.

- Client's access to the safety deposit facilities increases substantially or is unusual in light of their past usage.
- Many unrelated individuals make payments to one account without rational explanation.
- Third parties make cash payments or deposit cheques to a client's credit card.
- Client gives power of attorney to a non-relative to conduct large transactions.
- Client has frequent deposits identified as proceeds of asset sales but assets cannot be substantiated.
- Client acquires significant assets and liquidates them quickly with no explanation.
- Client acquires significant assets and encumbers them with security interests that do not make economic sense.
- Client requests movement of funds that are uneconomical.
- High volume of wire transfers are made or received through the account.

Corporate and Business Transactions

Some businesses may be susceptible to the mixing of illicit funds with legitimate income. This is a very common method of money laundering. These businesses include those that conduct a significant part of their business in cash, such as restaurants, bars, parking lots, convenience stores and vending machine companies. On opening accounts with the various businesses in your area, you would likely be aware of those that are mainly cash based. Unusual or unexplained increases in cash deposits made by those entities may be indicative of suspicious activity.

- Accounts are used to receive or disburse large sums but show virtually no normal business-related activities, such as the payment of payrolls, invoices, etc.
- Accounts have a large volume of deposits in bank drafts, cashier's cheques, money orders or electronic funds transfers, which is inconsistent with the client's business.

- Accounts have deposits in combinations of monetary instruments that are atypical of legitimate business activity (for example, deposits that include a mix of business, payroll, and social security cheques).
- Accounts have deposits in combinations of cash and monetary instruments not normally associated with business activity.
- Business does not want to provide complete information regarding its activities.
- Financial statements of the business differ noticeably from those of similar businesses.
- Representatives of the business avoid contact with the branch as much as possible, even when it would be more convenient for them.
- Deposits to or withdrawals from a corporate account are primarily in cash rather than in the form of debit and credit normally associated with commercial operations.
- Client maintains a number of trustee or client accounts that are not consistent with that type of business or not in keeping with normal industry practices.
- Client operates a retail business providing cheque-cashing services but does not make large withdrawals of cash against cheques deposited.
- Client pays in cash or deposits cash to cover bank drafts, money transfers or other negotiable and marketable money instruments.
- Client purchases cashier's cheques and money orders with large amounts of cash.
- Client deposits large amounts of currency wrapped in currency straps.
- Client makes a large volume of seemingly unrelated deposits to several accounts and frequently transfers a major portion of the balances to a single account at the same bank or elsewhere.
- Client makes a large volume of cash deposits from a business that is not normally cash-intensive.
- Client makes large cash withdrawals from a business account not normally associated with cash transactions.

- Client consistently makes immediate large withdrawals from an account that has just received a large and unexpected credit from abroad.
- Client makes a single and substantial cash deposit composed of many large bills.
- Small, one-location business makes deposits on the same day at different branches across a broad geographic area that does not appear practical for the business.
- There is a substantial increase in deposits of cash or negotiable instruments by a company offering professional advisory services, especially if the deposits are promptly transferred.
- There is a sudden change in cash transactions or patterns.
- Client wishes to have credit and debit cards sent to international or domestic destinations other than his or her place of business.
- There is a marked increase in transaction volume on an account with significant changes in an account balance that is inconsistent with or not in keeping with normal business practices of the client's account.
- Asset acquisition is accompanied by security arrangements that are not consistent with normal practice.
- Unexplained transactions are repeated between personal and commercial accounts.
- Activity is inconsistent with stated business.
- Account has close connections with other business accounts without any apparent reason for the connection.
- Activity suggests that transactions may offend securities regulations or the business prospectus is not within the requirements.
- A large number of incoming and outgoing wire transfers take place for which there appears to be no logical business or other economic purpose, particularly when this is through or from locations of concern, such as countries known or suspected to facilitate money laundering activities.

Transactions for Non-Profit Organizations (Including Registered Charities)

- Inconsistencies between apparent modest sources of funds of the organization (e.g., communities with modest standard of living) and large amounts of funds raised.
- Inconsistencies between the pattern or size of financial transactions and the stated purpose and activity of the organization.
- Sudden increase in the frequency and amounts of financial transactions for the organization, or the inverse, that is, the organization seems to hold funds in its account for a very long period.
- Large and unexplained cash transactions by the organization.
- Absence of contributions from donors located in Namibia.
- The organization's directors are outside Namibia, particularly if large outgoing transactions are made to the country of origin of the directors and especially if that country is a high-risk jurisdiction.
- Large number of non-profit organizations with unexplained links.
- The non-profit organization appears to have little or no staff, no suitable offices or no telephone number, which is incompatible with their stated purpose and financial flows.
- The non-profit organization has operations in, or transactions to or from, high-risk jurisdictions.

7.2 Businesses who Send or Receive Electronic Funds Transfers, or Remit or Transmit Funds

If you are involved in the business of electronic funds transfers or the remittance or transmission of funds, consider the following indicators.

- Client is reluctant to give an explanation for the remittance.
- Client orders wire transfers in small amounts in an apparent effort to avoid triggering identification or reporting requirements.
- Client transfers large sums of money to overseas locations with instructions to

- the foreign entity for payment in cash.
- Client receives large sums of money from an overseas location and the transfers include instructions for payment in cash.
 - Client makes frequent or large funds transfers for individuals or entities who have no account relationship with the institution.
 - Client receives frequent funds transfers from individuals or entities who have no account relationship with the institution.
 - Client receives funds transfers and immediately purchases monetary instruments prepared for payment to a third party which is inconsistent with or outside the normal course of business for the client.
 - Client requests payment in cash immediately upon receipt of a large funds transfer.
 - Client instructs you to transfer funds abroad and to expect an equal incoming transfer.
 - Immediately after transferred funds have cleared, the client moves the funds to another account or to another individual or entity.
 - Client shows unusual interest in funds transfer systems and questions the limit of what amount can be transferred.
 - Client transfers funds to another country without changing the currency.
 - Large incoming wire transfers from foreign jurisdictions are removed immediately by company principals.
 - Client sends frequent wire transfers to foreign countries, but does not seem to have connection to such countries.
 - Wire transfers are received from entities having no apparent business connection with client.
 - Size of funds transfers is inconsistent with normal business transactions for that client.
 - Rising volume of remittances exceeds what was expected from the client when the relationship was established.
 - Several clients request transfers either on the same day or over a period of two to three days to the same recipient.

- Different clients request transfers that are all paid for by the same client.
- Several clients requesting transfers share common identifiers, such as family name, address or telephone number.
- Several different clients send transfers that are similar in amounts, sender names, test questions, free message text and destination country.
- A client sends or receives multiple transfers to or from the same individual.
- Stated occupation of the client or the client's financial standing is not in keeping with the level or type of activity (for example a student or an unemployed individual who receives or sends large numbers of wire transfers).
- Migrant remittances made outside the usual remittance corridors.
- Personal funds sent at a time not associated with salary payments.
- Country of destination for a wire transfer is not consistent with the nationality of the individual client.
- Client requests transfers to a large number of recipients outside Namibia who do not appear to be family members.
- Client does not appear to know the recipient to whom he or she is sending the transfer.
- Client does not appear to know the sender of the transfer from whom the transfer was received.
- Beneficiaries of wire transfers involve a large group of nationals of countries associated with terrorist activity.
- Client makes funds transfers to free trade zones that are not in line with the client's business.
- Client conducts transactions involving countries known as narcotic source countries or as trans-shipment points for narcotics, or that are known for highly secretive banking and corporate law practices.

7.3 Businesses who Provide Loans

If you are involved in the business of providing loans (including mortgages) or extending credit to individuals or corporations, consider the following indicators.

- Client suddenly repays a problem loan unexpectedly.
- Client makes a large, unexpected loan payment with unknown source of funds, or a source of funds that does not match what you know about the client.
- Client repays a long term loan, such as a mortgage, within a relatively short time period.
- Source of down payment is inconsistent with borrower's background and income.
- Down payment appears to be from an unrelated third party.
- Down payment uses a series of money orders or bank drafts from different financial institutions.
- Client shows income from "foreign sources" on loan application without providing further details.
- Client's employment documentation lacks important details that would make it difficult for you to contact or locate the employer.
- Client's documentation to ascertain identification, support income or verify employment is provided by an intermediary who has no apparent reason to be involved.
- Client has loans with offshore institutions or companies that are outside the ordinary course of business of the client.
- Client offers you large deposits or some other form of incentive in return for favorable treatment of loan request.
- Client asks to borrow against assets held by another financial institution or a third party, when the origin of the assets is not known.
- The loan transaction does not make economic sense (for example, the client has significant assets, and there does not appear to be a sound business reason for the transaction).

- Customer seems unconcerned with terms of credit or costs associated with completion of a loan transaction.
- Client applies for loans on the strength of a financial statement reflecting major investments in or income from businesses incorporated in countries known for highly secretive banking and corporate law and the application is outside the ordinary course of business for the client.
- Down payment or other loan payments are made by a party who is not a relative of the client.

7.4 Life Insurance Companies, Brokers and Agents

If you provide life insurance or annuities as your main occupation or as one of the many services that you offer, consider the following indicators. For insurance companies that provide loans.

- Client wants to use cash for a large transaction.
- Client proposes to purchase an insurance product using a cheque drawn on an account other than his or her personal account.
- Client requests an insurance product that has no discernible purpose and is reluctant to divulge the reason for the investment.
- Client who has other small policies or transactions based on a regular payment structure makes a sudden request to purchase a substantial policy with a lump sum payment.
- Client conducts a transaction that results in a conspicuous increase in investment contributions.
- Scale of investment in insurance products is inconsistent with the client's economic profile.
- Unanticipated and inconsistent modification of client's contractual conditions, including significant or regular premium top-ups.
- Unforeseen deposit of funds or abrupt withdrawal of funds.
- Involvement of one or more third parties in paying the premiums or in any other matters involving the policy.
- Overpayment of a policy premium with a subsequent request to refund the

- surplus to a third party.
- Funds used to pay policy premiums or deposits originate from different sources.
 - Use of life insurance product in a way that resembles use of a bank account, namely making additional premium payments and frequent partial redemptions.
 - Client cancels investment or insurance soon after purchase.
 - Early redemption takes place in the absence of a reasonable explanation or in a significantly uneconomic manner.
 - Client shows more interest in the cancellation or surrender of an insurance contract than in the long-term results of investments or the costs associated with termination of the contract.
 - Client makes payments with small denomination notes, uncommonly wrapped, with postal money orders or with similar means of payment.
 - The first (or single) premium is paid from a bank account outside the country.
 - Client accepts very unfavorable conditions unrelated to his or her health or age.
 - Transaction involves use and payment of a performance bond resulting in a cross border payment.
 - Repeated and unexplained changes in beneficiary.
 - Relationship between the policy holder and the beneficiary is not clearly established.

7.5 Securities Dealers

If you are involved in the business of dealing in securities, segregated fund products or any other financial instruments, including portfolio managers and investment counselors, consider the following indicators.

- Accounts that have been inactive suddenly experience large investments that are inconsistent with the normal investment practice of the client or their financial ability.

- Any dealing with a third party when the identity of the beneficiary or counterparty is undisclosed.
- Client attempts to purchase investments with cash.
- Client uses securities or futures brokerage firm as a place to hold funds that are not being used in trading of securities or futures for an extended period of time and such activity is inconsistent with the normal investment practice of the client or their financial ability.
- Client wishes monies received through the sale of shares to be deposited into a bank account rather than a trading or brokerage account which is inconsistent with the normal practice of the client.
- Client frequently makes large investments in stocks, bonds, investment trusts or other securities in cash or by cheque within a short time period, inconsistent with the normal practice of the client.
- Client makes large or unusual settlements of securities in cash.
- The entry of matching buying and selling of particular securities or futures contracts (called match trading), creating the illusion of trading.
- Transfers of funds or securities between accounts not known to be related to the client.
- Several clients open accounts within a short period of time to trade the same stock.
- Client is an institutional trader that trades large blocks of junior or penny stock on behalf of an unidentified party.
- Unrelated clients redirect funds toward the same account.
- Trades conducted by entities that you know have been named or sanctioned by regulators in the past for irregular or inappropriate trading activity.
- Transaction of very large dollar size.
- Client is willing to deposit or invest at rates that are not advantageous or competitive.
- All principals of client are located outside Namibia.
- Client attempts to purchase investments with instruments in the name of a third party.

- Payments made by way of third party cheques are payable to, or endorsed over to, the client.
- Transactions made by your employees, or that you know are made by a relative of your employee, to benefit unknown parties.
- Third-party purchases of shares in other names (i.e., nominee accounts).
- Transactions in which clients make settlements with cheques drawn by, or remittances from, third parties.
- Unusually large amounts of securities or stock certificates in the names of individuals other than the client.
- Client maintains bank accounts and custodian or brokerage accounts at offshore banking centers with no explanation by client as to the purpose for such relationships.
- Proposed transactions are to be funded by international wire payments, particularly if from countries where there is no effective anti-money-laundering system.

7.6 Money Services Businesses

If you are involved in the money services business, including foreign exchange dealers, money remitters, issuers of traveler's cheques consider the following indicators.

- Client requests a transaction at a foreign exchange rate that exceeds the posted rate.
- Client wants to pay transaction fees that exceed the posted fees.
- Client exchanges currency and requests the largest possible denomination bills in a foreign currency.
- Client knows little about address and contact details for payee, is reluctant to disclose this information, or requests a bearer instrument.
- Client wants a cheque issued in the same currency to replace the one being cashed.
- Client wants cash converted to a cheque and you are not normally involved in issuing cheques.

- Client wants to exchange cash for numerous postal money orders in small amounts for numerous other parties.
- Client enters into transactions with counter parties in locations that are unusual for the client.
- Client instructs that funds are to be picked up by a third party on behalf of the payee.
- Client makes large purchases of traveler's cheques not consistent with known travel plans.
- Client makes purchases of money orders in large volumes.
- Client requests numerous cheques in small amounts and various names, which total the amount of the exchange.
- Client requests that a cheque or money order be made out to the bearer.
- Client requests that a large amount of foreign currency be exchanged to another foreign currency.

7.7 Accountants

If you are an accountant, consider the following indicators when you are carrying out certain activities on behalf of your client.

- Client appears to be living beyond his or her means.
- Client has cheques inconsistent with sales (i.e., unusual payments from unlikely sources).
- Client has a history of changing bookkeepers or accountants yearly.
- Client is uncertain about location of company records.
- Company carries non-existent or satisfied debt that is continually shown as current on financial statements.
- Company has no employees, which is unusual for the type of business.
- Company is paying unusual consultant fees to offshore companies.
- Company records consistently reflect sales at less than cost, thus putting the company into a loss position, but the company continues without reasonable explanation of the continued loss.

- Company shareholder loans are not consistent with business activity.
- Examination of source documents shows misstatements of business activity that cannot be readily traced through the company books.
- Company makes large payments to subsidiaries or similarly controlled companies that are not within the normal course of business.
- Company acquires large personal and consumer assets (i.e., boats, luxury automobiles, personal residences and cottages) when this type of transaction is inconsistent with the ordinary business practice of the client or the practice of that particular industry.
- Company is invoiced by organizations located in a country that does not have adequate money laundering laws and is known as a highly secretive banking and corporate tax haven.

7.8 Real Estate Brokers or Sales Representatives

If you are in the real estate industry, consider the following indicators when you act as an agent in the purchase or sale of real estate.

- Client arrives at a real estate closing with a significant amount of cash.
- Client purchases property in the name of a nominee such as an associate or a relative (other than a spouse).
- Client does not want to put his or her name on any document that would connect him or her with the property or uses different names on Offers to Purchase, closing documents and deposit receipts.
- Client inadequately explains the last minute substitution of the purchasing party's name.
- Client negotiates a purchase for market value or above asking price, but records a lower value on documents, paying the difference "under the table".
- Client sells property below market value with an additional "under the table" payment.
- Client pays initial deposit with a cheque from a third party, other than a spouse or a parent.

- Client pays substantial down payment in cash and balance is financed by an unusual source or offshore bank.
- Client purchases personal use property under corporate veil when this type of transaction is inconsistent with the ordinary business practice of the client.
- Client purchases property without inspecting it.
- Client purchases multiple properties in a short time period, and seem to have few concerns about the location, condition, and anticipated repair costs, etc. of each property.
- Client pays rent or the amount of a lease in advance using a large amount of cash.
- Client is known to have paid large remodelling or home improvement invoices with cash, on a property for which property management services are provided.
- Client insists on providing signature on documents by fax only.
- Client buys back a property that he or she recently sold.

7.9 Casinos

If you are engaged in the casino business, consider the following indicators.

- Any casino transaction where an individual receives payment in casino cheques made out to third parties or without a specified payee.
- Client requests a winnings cheque in a third party's name.
- Acquaintances bet against each other in even-money games and it appears that they are intentionally losing to one of the party.
- Client attempts to avoid the filing of a report for cash by breaking up the transaction.
- Client requests cheques that are not for gaming winnings.
- Client enquires about opening an account with the casino and the ability to transfer the funds to other locations when you do not know the client as a regular, frequent or large volume player.
- Client purchases large volume of chips with cash, participates in limited

gambling activity with the intention of creating a perception of significant gambling, and then cashes the chips for a casino cheque.

- Client puts money into slot machines and claims accumulated credits as a jackpot win.
- Client exchanges small denomination bank notes for large denomination bank notes, chip purchase vouchers or cheques.
- Client is known to use multiple names.
- Client requests the transfer of winnings to the bank account of a third party or a known drug source country or to a country where there is no effective anti-money-laundering system.

8 REPORTING A SUSPICIOUS TRANSACTION

8.1 Who should file Suspicious Transaction Reports

In view of the framework and scope of the provisions of sections 21 and 23(1) of the Act, the concept of transaction as applied in that context has a wider and broad connotation. This includes transactions that are conducted between persons who are not designated as accountable institutions but are carrying on a business and they transact with their clients. See also the definition of transaction in the Regulations.

Viewed from this perspective, as we stated in subparagraph 1.1 (GENERAL), above the scope of section 21 encapsulate any person who:

- carries on any business;
- carries on the business of an accountable institution;
- is in charge of, or manages a business undertaking;
- is in charge of a business undertaking of an accountable institution
- is a director of, secretary to the board of, employed or contracted by any business; or

- is a director of, secretary to the board of, employed or contracted by the business of an accountable institution

Furthermore, under section 23(1) suspicious transactions must be reported by any supervisory body listed in Schedule 2 of the Act.

8.2 When should Suspicious Transaction Reports be submitted to the FIC

A suspicious transaction report must be submitted to the FIC as soon as a suspicion has been formulated but not later than fifteen days. The fifteen days runs from the time the suspicion is formulated. Saturdays, Sundays and Public holidays are excluded. In certain urgent situations, reporting entities or persons must report suspicious transactions to the FIC immediately or should contact the Director of the FIC with a view to alert them of the suspicious transaction and the grounds of urgency that may have been established. The following scenarios can be regarded as urgent situations namely:

- Suspicious transactions that has a potential to jeopardize freezing of bank accounts,
- Instructions for an immediate cross border repatriation of funds or assets,
- Instructions to immediately withdraw large amounts of money from a bank account that is highly regarded as suspicious,
- Correspondent accounts being used as pass-through points from foreign jurisdictions with subsequent outgoing funds to another foreign jurisdiction.

8.3 How to file a Suspicious Transaction Report

The STR can be submitted to the FIC through electronic means or manually.

ELECTRONIC TRANSMISSION:

Currently, the electronic means of submission can be done in the following manner:

- **XML Submission:** Reporting entities that have the technical capability to use electronic extensible mark up language form (XML'S), must submit STR's electronically using this technical tool. As such, reporting entities that have this technical capability, need to register online with the FIC in order to be able to submit the electronically generated XML's to the FIC. Reporting entities will not be able to submit XML'S without being registered and will not be able to transmit the XML to the FIC. Once a reporting entity has been registered, it will receive an identification password that will enable it to transmit XML's electronically. The user profile of the entities and reporting persons can be updated online once logged on to the Bank of Namibia FIC website. Persons who experience any difficulty with obtaining or using their passwords should contact the FIC at telephone number 00264-61-2835100 or 00264-61-2835253 or 00264-61-283 5287.
- **Web Based Online STR Submission:** To be able to submit Suspicious Transaction Reports (STRs) online to the Financial Intelligence Centre, reporting entities must be registered with the FIC. Registration will enable online submission of STRs. Once the reporting entity has been registered, the Compliance Officers (reporting persons) for the institution can register online. Online registration encompasses the following:
 - Registration is done through the Bank of Namibia Website: www.bon.com.na, Click on Financial Intelligence Centre→Select: Reporting Suspicious Transactions.

- The institution's approved Compliance Officer (reporting person's) details are required to be completed on the web based form under Public Documents: Entity User Registration.
- The reporting person will then be issued with a user-id and default password. (The user must change the password when logging on for the first time)
- The above user-name and password can be used to log in to the FIC website, as explained under paragraph (i) hereto.
- The user can hereafter start submitting online STRs by clicking on the link, Online Reports List Add a new Report.
- Submitted Reports per user can be viewed under Submitted Reports available on each user profile.

MANUAL TRANSMISSION:

If a reporting entity or person does not have the technical capability of submitting XML's or Submitting STRs via online reporting, that entity or person can submit the manually completed STR form by delivering it to the FIC. The delivery can be effected by tendering the STR in a specially designated container available at the reception of the Bank of Namibia building on the ground floor. The Bank of Namibia is situated at number 71 Robert Mugabe Avenue; Windhoek. The STR can also be transmitted by facsimile at fax number 00264-61-283-5259. The STR is available on the Bank of Namibia website and it can be downloaded at <http://www.bon.com.na>, click on **FIC**, then click on **Public Documents** and then click on **suspicious transaction report**.

8.4 How to manually complete a Suspicious Transaction Report Form

The STR form has been designed to capture information that will be required for analytical purposes. Therefore it is necessary that you complete the form as prescribed

and where applicable, provide as much information as may be necessary depending on the nature of the circumstances that may be prevailing. It is important to emphasise that the STR must capture the information about the transaction and what led to your suspicion. Provide as many details as possible in your report about what led to your suspicion including anything that made you suspect that it might be related to money laundering. You should enclose photostat copies of document facilitating the identification of the party or parties to the transaction. Other forms of supporting documents can be Identity Cards, Birth Certificates, Passport and References from banks. Also enclose handwriting samples and a photograph of the suspected party or parties, if available. When completing a STR, you should note that the fields in the form are mandatory and they must be completed if the specific field is applicable to the transaction in question.

PART A:

The information that is required in part A is that of the reporting entity or the person making the report. In Part A, the reporter will have to provide details of the person making the report (Compliance Officer if any), such as details of the business entity.

PART B:

The information that is required in part B relates to the transaction in question. You need to provide details of the date when the transaction took place, the nature of the transaction e.g. a cheque deposit etc.

PART B1:

In part B1 you need to provide particulars of the person who is conducting the transaction in other words the person you are dealing with. You need to provide his or her identity particulars e.g. names, occupation and contact numbers etc.

PART B2:

You need to provide more details of the transaction in question. In other words you need to furnish particulars of what exactly is the nature of the transaction, if it is about a

sale or purchase of property you need to provide more details of that transaction.

PART B 3:

In this part, you are required to furnish information about the source of the funds e.g. the account numbers and the type of funds involved (U\$ dollars, RSA Rand etc). If the account belongs to a business entity you need to provide such details as prescribed on the form. If the account has several other persons who have signatory's powers to that account, such details should be provided.

PART B 4:

In this part, you need to provide details of the destination of the funds. If the funds are destined to a bank account you need to complete this part and if the funds are destined to a person you need to complete part B5.

PART B 5 :

In this part you need to furnish details of the individual that will eventually receive the funds. As prescribed, you are required to provide particulars of the identity of the individual, his or her occupation, date of birth etc.

PART C:

In this part, you are required to describe the grounds that prompted your suspicion. If your grounds cannot fit on the form, you can furnish such additional details on a separate sheet and attach it to your report. Remember that it is your suspicion and we encourage you to provide as much details as you can so that the FIC can comprehend your suspicion.

PART D:

The law compels you to report your suspicion but despite this, you may take other steps in dealing with the suspicion in question e.g. you may have called a law enforcement agency or you may have prompted the apprehension of the suspect or you may have taken other steps in addition to reporting the suspicion to the FIC. As such, under this

part, you are required to provide such details.

9. CONSULTATIONS AND INTERVENTIONS BY THE FIC

In certain situations especially in those instances where you are not sure as to what procedures you should adopt in a given scenario, we encourage you to immediately contact the Director of the FIC by telephone at 00264-61-2835283 or 00264-61-283 5026 or 00264-61-283 5100 and seek further guidance. You may also follow the same approach in urgent situations or in situations where the nature of the transaction has the effect of removing the funds to a foreign jurisdiction if executed, or where it may be difficult for a law enforcement agency to trace such funds after the transaction has been executed.

10. LEGAL PROTECTION UNDER SECTION 31 OF THE ACT

Persons who make reports in good faith are competent but not compellable witnesses in proceedings emanating from such reports. They are also having immunity from civil and or criminal litigation ensuing from such reports. No criminal or civil proceedings may be brought against you for making a report in good faith concerning a suspicious transaction. The legal effect of this is that, you cannot be compelled to testify in courts of law about the reports you have made, your identity is protected from disclosure and you can only testify in court proceedings if you wish to do so but you cannot be compelled if you do not want to.

11. PROHIBITION OF TIPPING OFF

As a reporting person or institution, you are not allowed to inform anyone, including the client, about the contents of a suspicious transaction report or even that you have made such a report. As it is important not to tip your client off that you are making a suspicious transaction report, you should not request information that you would not normally request during a normal transaction.

12. FAILURE TO REPORT A SUSPICIOUS TRANSACTION

Failure to report a suspicious transaction amounts to an offence and if the offender is an accountable institution or a business entity the applicable penalty is a fine not exceeding N\$ 500 000.00 (Five Hundred Thousand Namibian Dollars). If the institution is an individual the prescribed penalty is a period of imprisonment not exceeding 30 years or to both such fine and imprisonment. In addition, it is important to emphasise that a contravention of any provision of section 21 amounts to an offence. This means that other than failing to report a suspicion, a person can still be liable to prosecution if he or she contravenes other provisions of section 21, such as persons who disclose to other third persons that a suspicious transaction report has been reported to the FIC.

13. COMMENTS

This Guidance Note shall be reviewed from time to time. If you have any comments or suggestions to help improve this Guidance Note, please send your comments to the FIC by using the particulars provided herein below.

14. HOW TO CONTACT THE FIC

You can contact the FIC at the following telephone and fax numbers:

The Director: 061-2835283 and fax number 061-2835259

The Deputy Director: Financial Investigations and Analysis: 061-2835026 and fax number 061-2835259;

The Deputy Director: Legal and Compliance: 061-2835037 and fax number 061-2835259

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All Correspondence and enquiries must be directed to:

**The Director
Financial Intelligence Centre
P.O.Box 2882
No.71 Robert Mugabe Avenue
Windhoek
Republic of Namibia**

Tel: 061-2835100

Fax: 061-2835259

Email: leonie.dunn@bon.com.na