



Annex:

Indicators for suspicions

Summary

I.	Cross-sectoral indicators.....	3
	<i>General indicators</i>	3
	<i>Specific indicators for terrorist financing</i>	6
	<i>Specific indicators for corruption and laundering of proceeds of corruption</i>	8
II.	Indicators for financial sectors.....	10
	<i>Retail banks</i>	10
	<i>Private banking</i>	12
	<i>Asset management companies</i>	13
	<i>Life insurance brokers & agents</i>	16
	<i>Bureaux de change</i>	17
	<i>Pawnbrokers</i>	18
III.	Indicators for DNFBP sectors	19
	<i>Real estate sector</i>	19
	<i>Casino sector</i>	22
	<i>Legal professionals and accountants</i>	24
	<i>TCSPs</i>	29
	<i>Business centers</i>	30
	<i>Dealers in Precious Metals & Stones, Jewellers and Watchmakers</i>	31
	<i>Yachting/chartering sector and Motor vehicle sector</i>	32
	<i>Arts & antique dealers and Auction houses</i>	32
	<i>Sports agents</i>	33

I. Cross-sectoral indicators

General indicators

Indicators relating to customers

- ❖ The customer is known for prior convictions or links to criminal activities/organisations
- ❖ The customer is publicly known to be the subject of criminal proceedings for offences underlying money laundering, terrorist financing, proliferation or corruption or is known to have close links with persons who are the subject of such proceedings
- ❖ The customer requests services which do not fit with the regular activity of the reporting entity
- ❖ The customer offers to pay a higher price for unusual services, in exchange for more discretion
- ❖ The customer's legal or mailing address is associated with the address of other accounts or customers and no appropriate reason can be given for this
- ❖ The actual customer/BO appears to try to stay anonymous, e.g. through use of frontmen
- ❖ The customer is a legal person with a very complex ownership structure for which it is challenging to identify the BO
- ❖ The customer uses multiple names or the customer has no (valid) e-mail address, physical address, home or business telephone number
- ❖ The customer is highly reluctant, refuses to provide information, or provides minimal, unclear or inconsistent information, or seemingly fictitious information, in relation to:
 - his/her identity;
 - the identity of beneficial owners;
 - their business activities, employment or corporate history;
 - the reason for their transactions;
 - their source of funds/wealth;
 - the nature of their business dealings with third parties;
 - counterparties of their transactions.
- ❖ The customer exhibits abnormal concern with the reporting entity's compliance with reporting requirements, the entity's systems or the entity's AML/CFT policies and controls
- ❖ The customer tries to persuade the representative or employee of the reporting entity to not file any documents that it has shared
- ❖ The customer unjustifiably mixes business and private affairs, e.g. the customer uses a personal/individual account for business purposes or vice versa
- ❖ Persons which do not have a formal function in a legal person customer appear to have actual controlling influence over that customer

- ❖ Sudden activity from a previously dormant customer without a clear explanation
- ❖ Frequent, unexplained changes in ownership or management of legal person customers or illogical changes in business activities, especially where high-risk businesses are involved, e.g. businesses with a high level of cash-based operations, cross-border trading activities or provision of intangible services
- ❖ The customer has repeatedly changed financial institutions or service providers in a short period of time and cannot give a plausible reason for this
- ❖ The customer has been refused or offboarded by another reporting entity and it appears that this may have been due to challenges in CDD or integrity concerns
- ❖ Gaps in the track history of the customer, e.g. the customer is not able or willing to provide information or documentation on previous large transactions or business activities that have contributed to its source of funds or source of wealth

Indicators relating to transactions and payment methods

- ❖ Transactions that are unnecessarily complex, that make it difficult to identify the beneficial owner, or that do not appear to have an economic or commercial rationale
- ❖ Transactions that are inconsistent with the customer's expected activity and/or previous activity, e.g. in light of the number, size or type of transactions
- ❖ Transactions do not match the social economic profile, age, business or profession of the natural person customer, or the business profile of a legal person customer, e.g. transactions that appear to be exceptionally large in relation to a customer's declared income or turnover or transactions from locations unrelated to the customer activity
- ❖ Sudden spike in transaction volumes, which deviates from previous transactional activity
- ❖ Frequent or last-minute changes in instructions relating to transactions, including changes in the means of payment for a transaction, without credible justification (or with suspicious justification)
- ❖ Cancellation of a transaction without valid reason, potentially followed by a request to send the funds back to a third party
- ❖ Customer cancels a transaction when questioned about the reason of the transaction
- ❖ Customer makes large or regular sales or purchase for prices which differ significantly from the market value
- ❖ Customer requests an inordinate amount of secrecy or unusually tight or accelerated timeframes around a (series of) transaction(s)
- ❖ Customer transfers/receives funds to/from persons involved in criminal or suspicious activities (as per the information available)

- ❖ Indicators for structuring of transactions, e.g. the same parties occur multiple times in a range of transactions in a short period of time or there is a series of transactions where the amount of the money remains just below the maximum threshold for cash transactions or the threshold for the application of due diligence
- ❖ Large unexplained transactions in cash especially when they are inconsistent with the nature of the customer's business
- ❖ Use of Hawala or other forms of underground banking or informal remittances
- ❖ Customer has a preference for payment methods which facilitate anonymity, such as cash and virtual assets and is highly reluctant or refuses to use other more traceable methods
- ❖ Customer seeks to pay in cash using different currencies
- ❖ Unusual means of payment, e.g. payment in precious metals or stones
- ❖ Payments for fees/services provided by the reporting entity are made by third party check or money transfer from a source that has no apparent connection to the customer
- ❖ A transaction takes place between two or more parties that are connected without an apparent business or trade rationale
- ❖ Transactions appear cyclical (outgoing and incoming transactions are similar in size and are sent to, and received from, the same accounts)
- ❖ Complicated transaction routings without sufficient explanation or records

Geographical indicators

- ❖ Funds involved in transactions are sent to, or received from, foreign countries when there is no apparent connection between the country and the customer
- ❖ The customer, BO, or their source of wealth or source of funds has links to high-risk jurisdictions or territories¹
- ❖ Transactions involving high-risk jurisdictions or territories, particularly in circumstances in which there are no clear reasons for the specific transaction routing
- ❖ Locations of address of the customer and address of their bank are at odds and no valid explanation can be given by the customer for the disparate addresses
- ❖ Communications from or on behalf of the customer are sent from a disparate address than the customer's residency or business location, without adequate reasons
- ❖ Declaration of tax residency cannot be supported by other information

¹ On high-risk jurisdictions and territories, see the text box in Section 15 of this Guideline.

Indicators relating to distribution channels

- ❖ The customer insists on the use of an intermediary (either professional or informal) in all interactions without sufficient justification
- ❖ The relationship between the customer and the intermediary is unclear
- ❖ The customer tries to avoid personal contact or meeting face-to-face, without a valid reason

Specific indicators for terrorist financing

Due to the fact that the financing of terrorism can occur from legitimate source, and the fact that sums involved may be small, TF can be very hard to detect. A single red flag in isolation may often not be enough to raise suspicions. Reporting entities should remain vigilant to any of the below indicators and consider filing an STR especially when a combination of red flags occurs.

Indicators relating to (ab)use of NPOs for terrorist financing

- ❖ Customer is a (charity) foundation with activities in countries exposed to the risk of terrorism.
- ❖ The same director is involved in multiple charity foundations or foundations with an ideological profile
- ❖ A director of a foundation acts in conflict with the rules or statutes of the foundation or seeks to singlehandedly alter previous agreements between the foundation and the entity
- ❖ Customer provides financial or business services, goods or rents property to religious or ideological foundations with activities in countries or regions at risk for terrorism
- ❖ The use of funds by an NPO is not consistent with the purpose for which it was established
- ❖ Donations/transfers to NPOs suspected of support or links to radical/terrorist groups
- ❖ NPO customer receives funds from persons or entities believed to support terrorist activities
- ❖ NPO funds are transferred to persons or entities believed to be engaged in, or supporting, terrorist activities
- ❖ NPO funds are transferred to entities not associated with declared programs or activities
- ❖ Mix of NPO funds with personal or business funds
- ❖ NPO uses unusually complex financial arrangements/networks
- ❖ Sudden increase in donations to an NGO for no apparent reason

Indicators relating to wire transfers and remittances

- ❖ Transfers in low volumes from many different senders to the same recipient, with no obvious connection or reason
- ❖ Transfers in low volumes from one sender to many recipients, with no obvious connection or reason
- ❖ Purpose of interpersonal transactions given as 'donation', 'aid', 'support', 'loan' etc.
- ❖ Incomplete or vague sender details
- ❖ Receipt of funds through remittance/wire transfer, followed by immediate cash withdrawal

Indicators relating to travel for terrorist purposes

- ❖ Customer identified by media or law enforcement as having travelled, attempted or intended to travel to geographic locations with armed conflict, serious political instability or known to support or shelter terrorist activities and organizations
- ❖ Unusual or unexplained inwards transfers followed by travel-related spending
- ❖ Surge in travel-related spending, e.g. purchases in outdoor stores, medical equipment, travel tickets, international SIM cards
- ❖ Purchase of travel inconsistent with income
- ❖ Unexplained breaks in financial activity for several weeks
- ❖ Payments for travel for third parties
- ❖ Travel or transfers to conflict zones or countries/regions adjacent to conflict zones
- ❖ Transfers to places close to borders and transit points
- ❖ Cash withdrawal immediately before travel
- ❖ Customer using a branch remote from his home address
- ❖ Customer seeks to pay with or exchange unusual currencies, especially in case of currencies from jurisdictions with armed conflict or terrorist insurgencies operating in their territories

Other indicators

- ❖ Transactions involve persons or entities identified by media and/or sanctions lists as being linked to a terrorist organization or terrorist activities.
- ❖ Payments for storage addresses
- ❖ Transaction patterns inconsistent with age/employment/income
- ❖ Sudden unexplained changes in activity
- ❖ Customer is raising donations in an unofficial or unregistered manner
- ❖ Customer's online presence supports violent extremism or radicalization
- ❖ Cash withdrawals from accounts that have received deposits from crowdfunding sites

- ❖ Cash installments and cheques deposited to personal accounts from unidentified persons and foreign entities
- ❖ Reactivation of bank accounts after long period of inactivity, by depositing cash, receiving funds from family members, or using debit card to withdraw cash in ATMs in countries of bordering zones with armed conflicts/known presence of terrorist organizations
- ❖ A customer makes purchases related to weapons and survival and trekking supplies
- ❖ Hawala.

Specific indicators for corruption and laundering of proceeds of corruption

As a financial centre and luxury market, the customers of FIs and DNFBPs in Monaco include many non-residents who can be foreign politically exposed persons (PEPs). Reporting entities should ensure that they can detect and report suspicions in relation to ML, corruption and influence peddling, notably through enhanced due diligence and transaction monitoring of business relationships involving PEPs.

Indicators relating to PEPs

- ❖ Customer or beneficial owner is a PEP who receives a modest official salary, but who has substantial funds or seeks to purchase substantial assets/high-value goods, without any apparent business interests or inheritance
- ❖ Sums deposited into the account are large relative to the wealth of the PEP and his or her family
- ❖ PEP sends or receives funds transferred from an anonymous account or from an entity for which it is challenging or impossible to establish legal or beneficial ownership.
- ❖ The PPE has invested funds abroad, e.g. in offshore bank accounts or ownership of offshore companies
- ❖ PEP uses trusts or other legal arrangements to store/manage assets
- ❖ PEP makes transfers from personal accounts to corporate accounts and vice versa
- ❖ PEP makes transfers into or from an account of a third party or intermediary
- ❖ PEP uses nominees to direct (offshore) companies
- ❖ Use of family members or close associates as legal owners of companies related to PEPs
- ❖ PEP uses legal entities or legal arrangements, nominee shareholders or third parties to obscure i) ownership over legal persons or assets, ii) involved industries, or iii) countries that they have dealings with
- ❖ PEP receives consultancy fees or similar payments from a private company in their accounts
- ❖ PEP receives abnormal cash deposits in their accounts

- ❖ Declarations of information from PEPs that are inconsistent with other information, such as publicly available asset declarations and published official salaries
- ❖ The PEP or facilitator seeks to make use of the services of an FI or DNFBP that would normally not cater to foreign or high-value clients
- ❖ Transactions involving PEPs and funds moving to and from countries with which the PEP do not appear to have ties

Other indicators

- ❖ Recently established companies are awarded major public contracts
- ❖ Long-term government contracts are consistently awarded to the same entity or entities that share similar beneficial ownership structures or the same responsible persons
- ❖ Transactions involving services provided to state-owned companies or public institutions by companies registered in high-risk jurisdictions or territories
- ❖ A contractor, subcontractor and/or client are linked to each other for example on the basis of the same address, beneficial owners or key persons
- ❖ Transactions involving official embassy or foreign government business conducted through personal accounts
- ❖ Transactions involving public officials related to high-value assets, such as real estate or other luxury goods, that are not commensurate with the reported source of wealth for the public official or that fall outside that individual's normal pattern of activity or lifestyle
- ❖ Documents corroborating transactions involving government contracts (e.g., invoices) that include charges at substantially higher prices than market rates or that include overly simple documentation or lack traditional details (e.g., valuations for good and services)
- ❖ Transactions involving payments that do not match the total amounts set out in the underlying documentation, or that involve vague payment details or the use of old or fraudulent documentation to justify transfer of funds
- ❖ Transactions involving fictitious email addresses and false invoices to justify payments, particularly for international transactions

II. Indicators for financial sectors

For financial transactions related to real estate (mortgages, real estate investments etc.), financial institutions should refer to the indicators for the real estate sector further on in this Annex.

Retail banks

Indicators relating to cash deposits and withdrawals

- ❖ Large unexplained cash deposits and/or withdrawals, especially when they are inconsistent with the nature of the customer's business
- ❖ Cash deposits begin immediately after the account is established and are made frequently
- ❖ Cash deposits begin suddenly after limited or no account activity
- ❖ Multiple cash deposits or withdrawals at a single branch location but with different tellers/ATMs
- ❖ Multiple cash deposits or withdrawals are made on a single banking day at different branches
- ❖ Cash is deposited domestically with funds subsequently withdrawn from ATMs offshore
- ❖ High levels of cash deposits immediately followed by withdrawals or wire transfers out of the account or checks/monetary instruments drawn for the same or similar amounts

Indicators relating to loans

- ❖ There is no apparent economic sense for a loan application
- ❖ The customer appears indifferent to the terms/costs/fees associated with the loan
- ❖ Loan repayments that appear to be inconsistent with a customer's declared income or turnover
- ❖ Early repayment of a loan followed by an application for another loan
- ❖ Repayment of a long-term loan within a relatively short period
- ❖ Large, unexpected loan repayments with funds from unknown sources or sources which are inconsistent with previous information on the customer's source of funds
- ❖ Repayment of monthly instalments by unrelated third parties
- ❖ The size or source of down payment is inconsistent with the borrower's profile or income
- ❖ The deposit is paid using funds from different financial institutions, particularly if these are located in one or more countries that have nothing to do with the customer's profile or activities
- ❖ The customer cites foreign income on the loan application without providing further details, especially where higher-risk jurisdictions or territories are involved
- ❖ The customer is unwilling or unable to provide documentation to support the loan application
- ❖ The customer's documentation to support the loan application are provided by a third party with no apparent reason to be involved in the loan

- ❖ The customer has existing loans with foreign institutions or entities that are unrelated to the location or known business activities of the customer
- ❖ The customer offers incentives in return for favourable treatment of the loan application
- ❖ The customer wants to use collateral in the form of assets of unknown origin

Indicators relating to bank accounts

- ❖ Customer with a pattern of frequently opening and closing accounts
- ❖ Use of a company account for personal matters or vice versa
- ❖ A bank account is used exclusively to make or receive wire transfers to another bank account or group of other bank accounts, with no other transactions
- ❖ The customer opens a bank account and deposits a high sum in the account that appears inconsistent with their profile and/or the customer cannot provide clear information or supporting documentation for the source of the funds
- ❖ A large number of accounts held by the same customer or controlled by the same BO with the same institution
- ❖ Same home address provided for bank accounts held by different persons/entities
- ❖ A sudden and unexplained increase in cash deposits/withdrawals from a bank account

Indicators relating to wire transfers

- ❖ Frequent or large wire transfers that are not commensurate with the expected activity of the customer, the nature of their business or occupation, especially when linked to foreign locations
- ❖ Large or frequent wire transfers between originators and beneficiaries with no clear relationship
- ❖ Multiple persons are sending wire transfers that are similar in amounts, beneficiary names or addresses, especially when over a short period of time
- ❖ Wire transfers to numerous offshore jurisdictions with no business link

Indicators related to credit card transactions

- ❖ Funding of the card by a third party unrelated to the cardholder, especially when the party is from another country than the cardholder
- ❖ Cash payments into a checking account, the purpose of which is to pay for credit card expenditure
- ❖ Credit card is used predominantly or exclusively to withdraw cash at ATMs
- ❖ Reverse transfers with a clear justification
- ❖ Excessive purchasing of other card or stored-value (voucher) products/pre-paid cards
- ❖ Frequent and substantial use of the credit card at casinos

- ❖ Credit card is used exclusively or predominantly to buy online gambling credits, virtual gaming goods, or crypto-currencies
- ❖ Concentration of frequent high-value transactions by a small group of cardholders with particular merchants (purchase of luxury products)
- ❖ An excessive proportion of payments received by a merchant's stems from certain cardholders
- ❖ Credit card factoring whereby a customer business with a merchant account appears to be processing credit card transactions for a third party, or it appears that a customer is using a third party with a merchant account to process credit card transactions

Other indicators

- ❖ The customer shows a pattern of depositing refund checks from cancelled insurance policies

Private banking

Indicators related to customers

- ❖ Account opened without documentary evidence for the source of wealth
- ❖ Account for HNWI with third-party power of attorney (POA) operation
- ❖ Business account for HNWI with multilayer ownership structure, third-party POA
- ❖ Customer owns or controls offshore entities located in higher-risk jurisdictions or territories
- ❖ Customer uses legal structures set-up in the jurisdiction not subject to FATCA/CRS reporting obligations
- ❖ Use of companies or legal structures located in a jurisdiction other than the tax residence or place of regular economic or professional interest of the UBOs
- ❖ Complex setup without specific economic rationale
- ❖ Customer is not interested in earning a return

Indicators related to source of wealth or funds

- ❖ Customer cannot provide clear information on the source of funds or source of wealth
- ❖ The customer's funds originate from or are sent to, an entity that is not registered in the jurisdiction where either the customer or exchange is located
- ❖ Customer whose bulk of source of wealth is derived from investments in virtual assets
- ❖ Customer's source of wealth is disproportionately drawn from virtual assets originating from other virtual asset service providers that lack anti-money laundering or counter-terrorist financing controls

Indicators related to transactions

- ❖ Transactions related to high-risk jurisdictions or territories
- ❖ Transactions without legitimate economic rationale
- ❖ Frequent payment for fees related to consulting activities or other types of services which are difficult to verify
- ❖ Customer uses cash intensively
- ❖ Transactions linked to commercial activities through private accounts
- ❖ Circular transactions or round-tripping transactions where funds are reinvested into the original jurisdiction after being transferred to a foreign entity (especially when entity is located in a tax haven or higher-risk jurisdiction or territory)

Asset management companies²

Indicators related to investment/trading behaviour

- ❖ The customer wishes to engage in transactions/investment activity that are inconsistent with the customer's stated investment goals, investment profile, normal investment practice/history or their financial ability and there is no reasonable explanation for the change
- ❖ The customer does not exhibit any concern with the cost of transactions or fees (e.g. surrender fees, commissions) or investment losses, or is willing to deposit or invest at rates that are not advantageous or competitive
- ❖ The customer wants to purchase investments in the name of another party or the customer wants to use shell companies to purchase investments or wants to acquire bearer shares
- ❖ Transfers of securities are made to the same person from different individuals or to different persons from the same individual with no reasonable explanation
- ❖ Trading or journaling in the same security or securities between numerous accounts controlled by the same people
- ❖ "Deposit, sale, and withdrawal activity": the customer has a pattern of depositing funds for purchase of a (long-term) investment or depositing shares followed shortly by the request to liquidate the position or by the sale of the shares, and subsequently transfers the proceeds out of the account
- ❖ One party purchases securities at a high price and then sells them at a considerable loss to another party

² Multi-Family Offices should also consider these indicators in the context of providing patrimonial advice relating to the planning and organization of assets, as well as their administrative and financial monitoring, and in case they provide financial activities as regulated by Law No. 1.439 of December 2, 2016.

- ❖ Mirror trades or a pattern of securities transactions indicating the customer is using securities trades to engage in currency conversion for illegitimate or no apparent business purposes
- ❖ The customer seeks to terminate a long-term investment position before maturity without a logic or apparent reason (e.g. volatile market conditions)
- ❖ Requests to execute a buy order and sell order for the same security or similar or correlated securities (and/or on behalf of the same beneficial owner), in close chronology

Indicators related to customer accounts

- ❖ The use of securities accounts as "bank accounts", e.g. as long term depository accounts for funds that are not being used in trading of securities or futures for an extended period of time, or as accounts for payments or outgoing wire transfers with little or no securities activities
- ❖ Accounts that have been inactive suddenly experience large investments that are inconsistent with the normal investment practice of the customer or their financial ability
- ❖ For no apparent reason, the customer has multiple trading accounts under a single name or multiple names, potentially with a large number of inter-account or third-party transfer
- ❖ Several customers open accounts within a short period of time to trade the same stock
- ❖ Unrelated customers direct funds toward the same account
- ❖ The customer makes transfers of funds or securities between unrelated accounts without any apparent business purpose
- ❖ The customer opens a new account and deposits shares representing a large amount of thinly traded or low-priced securities
- ❖ A customer with limited assets receives a transfer of a large amount of thinly traded or low-priced securities
- ❖ A dormant account suddenly becomes active without a plausible explanation (e.g. large amounts are suddenly wired out)

Indicators related to payments/payment methods

- ❖ Customer wants money received through the sale of shares to be deposited into a bank account rather than a securities account when inconsistent with the customer's normal practice
- ❖ (Requests for) third-party payments in transactions related to investments, e.g. payments by third-party cheques or remittances from third parties
- ❖ Customer wants to purchase (large) investments with cash
- ❖ Customer wants to purchase a number of investments using a variety of different payment
- ❖ Frequent change of bank account

- ❖ The customer requests that certain payments be routed through nostro accounts or correspondent accounts held by the financial intermediary instead of its own accounts
- ❖ Transfers of funds are made to the same person from different persons or to different persons from the same person with no reasonable explanation.
- ❖ Many small, incoming wire transfers or deposits made using checks and money orders that are almost immediately withdrawn or wired out in an inconsistent manner with the customer's business or customer's history
- ❖ Unusually large aggregate wire transfers or high volume or frequency of transactions are made with no logical or apparent reason
- ❖ Many in/out transactions for substantial amounts on a short-term basis
- ❖ Receipt of unexplained amounts, followed by a request to return amounts to the originator
- ❖ The customer transfers funds/proceeds to accounts held at financial institutions other than those used to originally fund the account/purchase, especially where different countries are involved

Geographic indicators

- ❖ Client maintains bank accounts and custodian or brokerage accounts at offshore financial entity with no explanation as to the purpose for such relationships
- ❖ Proposed transactions are to be funded by international wire payments, particularly from countries where there is no effective anti-money-laundering system
- ❖ Transactions relating to a particular jurisdiction or territory which go beyond than what is to be expected considering a customer's normal patterns of trading, especially where higher-risk jurisdictions or territories are involved
- ❖ Customer wants to fund securities purchases or fund its securities account by transfers sent from or routed through higher-risk jurisdictions or territories
- ❖ Funds are transferred into a securities account and subsequently transferred out of the account in (nearly) the same amounts, especially when locations are high-risk

Other indicators

- ❖ Customer's explanation of how they acquired certain securities does not make sense or changes upon repeat requests for clarifications
- ❖ The asset management company's services are solicited by entities that have been named or sanctioned by regulators in the past for irregular or inappropriate trading activity
- ❖ Any dealings with counterparties with undisclosed identity
- ❖ Unclear or complex distribution channels that limit the ability of the asset management company to monitor the transactions, e.g. use of a large number of omnibus accounts in third countries

Life insurance brokers & agents

Indicators relating to policy holders & beneficiaries

- ❖ Policy holder and/or the beneficiary of the contract are companies whose structure makes it difficult to identify the beneficial owner
- ❖ Policy holder and/or the beneficiary of the contract are companies with nominee shareholders and/or shares in bearer form
- ❖ Policy holder has a low-income occupation whereas the policy has high ongoing deposits
- ❖ The same beneficiary occurs for multiple policies
- ❖ The relationship between the policy holder and the beneficiary is not clearly established
- ❖ Insurer is made aware of a change in beneficiary only when the claim is made
- ❖ The customer changes the beneficiary clause and nominates an apparently unrelated third party or otherwise transfer the benefit of an insurance product to an apparently unrelated third party
- ❖ Policy holders or beneficiaries residing in a high-risk country
- ❖ Unexplained geographic distance between residence/business location of the policy holder and the location of the broker/agent

Indicators relating to products & policies

- ❖ Purchases of Insurance products or scale of investment in insurance products that appear outside the customer's business profile or wealth range, e.g. a customer with small policies with regular payments makes a sudden request to purchase a substantial policy with a lump sum payment
- ❖ The customer requests an insurance product without a discernable purpose
- ❖ The customer is reluctant to provide information on the purpose of the purchase of the product
- ❖ The customer transfers the contract to another insurer after a short period of time, especially when such a transfer is associated with high fees
- ❖ The customer shows more interest in the possibilities around the cancellation or surrender of an insurance contract than in the long-term results of investments
- ❖ The customer cancels the insurance soon after purchase or the customer seeks early termination of a product without offering a reasonable explanation, especially where they incur a high cost by seeking cancellation/early termination
- ❖ The customer seeks to use a life insurance product in a way that resembles the use of a bank account, i.e. making additional. premium payments unforeseen deposits, frequent or abrupt redemptions
- ❖ The customer's requests to modify the contractual conditions, change or increase the sum insured and/or the premium payment are unusual, inconsistent or excessive

Indicators relating to payments

- ❖ The customer wants to pay for the product/policy in cash
- ❖ Funds used to pay policy premiums/deposits originate from different sources
- ❖ Premiums are paid from a bank account outside the country different than the location of the residency/activities of the customer, and no reasonable explanation can be offered for the disparate location of the bank account
- ❖ Payments for the policy (are requested to) come from third parties, e.g. the customer wants to pay for the product/policy using a cheque drawn on the account of a third party or payments are received through wire transfers from originators different than the customer
- ❖ Premiums/deposits are paid through intermediary/nominee/third-party accounts
- ❖ Overpayment of a policy premium followed by request to refund surplus to a third party

Bureaux de change

- ❖ A customer requests to exchange a substantial number of large notes for small notes or vice versa
- ❖ A customer exchanges money for several different currencies at the same time, especially where they are associated with countries in different regions of the world
- ❖ High frequency of currency exchange transactions over a period of time
- ❖ The amount of the transaction is unusually large for the typical customer
- ❖ A customer exchanges currencies at several different branches/locations in a short period of time
- ❖ The customer changes a transaction after learning that he/she must show identification documents
- ❖ The customer's address is a post office box or an address of a company service provider (e.g. business centre providing domiciliation service).
- ❖ The customer's address information is difficult to verify or the stated address does not exist
- ❖ A series of transactions appear structured to ensure that individual transactions remain just below the threshold for due diligence identity checks

Pawnbrokers

- ❖ The customer is unwilling to provide identification or provides unsatisfactory identification, e.g. only submits copies of personal identification documents and is not able to produce the originals
- ❖ The customer provides an address far away from where the store is located
- ❖ Difficulty confirming the details regarding acquisition of the items being offered into pawn
- ❖ A customer reluctant to answer questions regarding the purpose of their transaction or seeking to make a transaction that does not make commercial sense
- ❖ A suspicion that the person offering items into pawn does not own the goods, or have no permission to have them in their possession
- ❖ The customer gives conflicting accounts as regards the purpose of the transaction
- ❖ The customer is accompanied by another person who appears to be insisting on or monitoring the transaction
- ❖ Person carrying out large, one-off transactions
- ❖ A person trying to divert the pawnbroker from their usual practices, e.g. insisting on a non-face-to-face transaction when this is not a regular service provided by the pawnbroker

III. Indicators for DNFBP sectors

*Real estate sector*³

Indicators related to trades and value of the property

- ❖ The property has been traded multiple times in a short period of time, without an acceptable explanation
- ❖ Profit margins of previous trades of the property have been unusually high
- ❖ Customer is involved transactions without having a background in real estate trading
- ❖ Sellers seek to sell a property or buyers seek to purchase a property for values which are not proportionate to the real value of the property (either too high or too low)

Indicators related to customer/customer behaviour

- ❖ The customer buys back a property that they recently sold
- ❖ The customer buyer seeks to purchase property in a hasty manner, e.g. without having visited the premise to ensure that it meets their needs, and without giving legitimate reasons for the hurry
- ❖ The customer is uncooperative with requests to provide information and threatens or proceeds to switch real estate agents/property dealers/notaries or to cancel the order in case of (persistent) requests for information
- ❖ Customer justifies or explains the sale or purchase in an overly elaborate way, or customer is inconsistent in its accounts to justify or explain the sale or purchase
- ❖ Customer seeks to engage in a real estate transaction on behalf of minors or persons under guardianship
- ❖ Customer seeks to purchase or purchases property in someone else's name such as an associate or a relative
- ❖ Customer repeatedly changes the purchasing party's name, or changes the purchasing party's name at the last minute
- ❖ Customer seeks to purchase or purchases multiple properties in a short period of time, and exhibits no or limited concerns about the location, condition, renovation costs, etc. of the properties
- ❖ Customer seeks to purchase or purchases personal use property through their company when this is inconsistent with their ordinary business practice; or to purchase commercial property in capacity of a natural person, inconsistent with their economic profile

³ Real estate agents, property dealers, notaries and other legal professionals when involved in real estate transactions. Many of these indicators are also relevant to financial institutions involved in real estate transactions, e.g. retail banks providing mortgages or private banks or asset management companies involved in real estate investments for customers.

- ❖ Customer exhibits a lack of concern regarding risks, commissions, or other contract clauses or transaction costs, e.g. customer does not complete a transaction without a valid reason, in seeming disregard of a contract clause causing the loss of their deposit
- ❖ Customer does not want to their name on any document that would connect them with the property, or uses different names on documents related to the property deal
- ❖ Direct sale or purchase without using a real estate broker or sales agent, and it is not clear how the buyer and seller have found each other
- ❖ Customer whose only connection to Monaco is the real estate transaction, especially if customer or source of funds are from a higher-risk jurisdiction or territory

Indicators related to structures holding the property

- ❖ A transaction involving legal entities, when there does not seem to be any relationship between the transaction and the activity carried out by the buying company, or when the company has no business activity, or where the entities involved are recently established
- ❖ The property involved is held by a trust for which it cannot be confirmed and corroborated by reliable documents that it has declared its existence and beneficial owners in Monaco's Register of Trusts and this situation is not rectified in a timely manner when the agent/dealer enquires about this
- ❖ The property involved is held by a domestic SCI or other vehicle for which it cannot be confirmed and corroborated by reliable documents that it has declared its beneficial ownership in Monaco's Register of Beneficial owners, and this situation is not rectified in a timely manner when the agent/dealer/notary enquires about this
- ❖ The property involved is held by a foreign vehicle for which it cannot be confirmed and corroborated by reliable documents that it has declared beneficial ownership in its jurisdiction of incorporation in spite of a legal obligation to do so, and this situation is not rectified in a timely manner when the agent/dealer/notary enquires about this

Indicators related to financing arrangements

- ❖ Customer represents their financial situation in an unrealistic way or their financial situation cannot be supported by documents
- ❖ Customer wants to purchase the property with financing arrangements through financial entity located in a higher-risk jurisdiction or territory and no appropriate reason can be given for this choice
- ❖ A purchase is (to be) financed by the seller or by a party related to the seller
- ❖ Customer wants to purchase the property without any financing arrangements through regulated financiers, but by private funding from a third party especially where:
 - the funder does not have relation with the buyer
 - the source of the funds of the funder is unclear
 - the funder is located in a higher-risk jurisdiction or territory; or
 - there is adverse information on the integrity of the funder
- ❖ Customer cannot or does not want to provide the underlying loan agreement used for the financing of the property; or there is no loan agreement between the lender and borrower
- ❖ The underlying loan agreement for the financing of the property contains inconsistent or incorrect information or unusual lending conditions, e.g.:
 - interest rates differ significantly from the regular market
 - no collateral or unusual form of collateral or collateral is located in a higher-risk jurisdiction
 - loan is paid out in cash or virtual assets
 - absence of a (credible) amortization schedule, or an unusually short repayment period has been set without logical explanation
- ❖ Customer wants to purchase property using funds obtained through crowd-funding
- ❖ Loan/mortgage amount is above the market value of the property
- ❖ Customer pays substantial down payment in cash and remaining balance is financed by a non-regulated lender or offshore lender
- ❖ Customer requests that a lower value be recorded on documents than the actual purchase price of the property and wants to pay the difference "under the table"
- ❖ Customer wants to conduct a real estate transaction in virtual assets
- ❖ Large cash amounts used to fund any aspect of a real estate transaction, e.g. deposits, down payments, loans/mortgages, rent
- ❖ Customer wants to pay initial deposit with a cheque or bank transfer or other payment means from a third party, other than a spouse or a parent
- ❖ Accelerated repayment of loan/mortgage shortly after the deal is completed even if penalties are incurred

Casino sector

Indicators related to gambling

- ❖ Noticeable spending/gambling pattern changes of regular customers
- ❖ Customer's intention to win is absent or secondary
- ❖ Two or more customers frequently gamble against one another
- ❖ Inserting funds into gaming machines and immediately claiming those funds as credits

Indicators related to buy-ins and pay-outs

- ❖ Customers seeking to pay with cheques issued to a third party or requesting a winnings cheque in a third party's name
- ❖ Customer attempting to pay with a payment card in the name of a third party or requesting for pay-outs to the bank account of a third party
- ❖ Requests for pay-outs into bank accounts from other jurisdictions, especially if the accounts are located in higher-risk jurisdictions or territories or in jurisdictions or territories unrelated to the customer's address/activities
- ❖ Purchasing and redeeming casino chips with limited or no gaming activity
- ❖ Frequent pay-out transactions without corresponding buy-in transactions
- ❖ Multiple customers requesting to send or sending pay-outs to a single bank account / single beneficiary
- ❖ Customer purchases chips and leaves casino shortly after
- ❖ Chip pay-out is same/similar to chip purchase
- ❖ Use of multiple credit/debit cards by one individual to purchase casino chips
- ❖ Use of credit/debit cards registered on the name of a third party
- ❖ Use of representatives/third parties to conduct buy-in
- ❖ Requests to pay out winnings in a combination of chips and multiple payment methods

Indicators related to player accounts

- ❖ Customer enquires about opening a client account with the casino and the ability to use the account for other financial services (e.g. transfer funds to other accounts), whereas the person is not a regular, frequent or large volume player
- ❖ Customer name and (requested) name for player account do not match
- ❖ Customers seeking to fund accounts with cheques issued to another person
- ❖ Unusually frequent deposits of cash, cheques, electronic transfers into player account
- ❖ Funds withdrawn from player account shortly after being deposited

- ❖ Significant account activity within a short period of time
- ❖ Account activity with little or no gambling activity
- ❖ Dramatic or rapid increase in size and frequency of transactions for regular account holder.
- ❖ Casino accounts are funded by transfers from corporate accounts
- ❖ Funds transferred from casino account to foundations or associations
- ❖ Persons other than the account holder seeking to conduct transactions on casino accounts
- ❖ Deposits into casino account using multiple methods or multiple individuals
- ❖ Requests to transfer funds into third party accounts
- ❖ Requests to transfer funds into other bank or casino accounts
- ❖ U-turn transactions occurring with funds being transferred out of an account and then portions of those funds being returned

Indicators related to cash

- ❖ Purchasing of casino chips or funding of player account with large amounts of small denomination bills
- ❖ Large sums of cash from unexplained sources
- ❖ Customer appears to attempt to avoid the filing of a cash transaction slip by structuring/breaking up the transaction
- ❖ Customer engages in frequent cash transactions just under the thresholds that apply for certain due diligence measures applied by the casino or that apply for maximum cash transactions
- ❖ Cash is handed to a third party after cash out
- ❖ Customer requests to add cash to casino winnings and requests to exchange the combined cash and winnings for pay-out by another payment method

Indicators related to currency exchange

- ❖ Large or rapid increases in size and frequency of currency exchange transactions
- ❖ Currency exchange for no reasonable purpose or with little or no gambling activity
- ❖ Currency exchange with low denomination bills for high denomination bills

Other indicators

- ❖ Customer befriending/attempting to befriend casino employees
- ❖ Contact between patrons and casino staff outside of the casino
- ❖ Third party presents for all transactions but does not participate in the actual transaction
- ❖ High volume of transactions within a short period
- ❖ Use of an intermediary to undertake transactions (incl. professionals such as lawyers)
- ❖ Customer seeks to fund its gambling purchases or player account with virtual assets
- ❖ Use of altered/fraudulent identification document
- ❖ Refusal to provide identification; providing false or inconsistent identification

Legal professionals⁴ and accountants

When legal professionals and accountants prepare for or carry out transactions for their client relating to the buying and selling of real estate, they should also refer to the indicators for the real estate sector covered elsewhere in this Annex.

Indicators relating to customers/customer behaviour

- ❖ The customer has a history of changing bookkeepers or accountants yearly
- ❖ The customer uses multiple bank accounts or foreign bank accounts without a good reason
- ❖ The customer appears focused on aggressive tax minimisation strategies

Indicators relating to payments/payment methods used by the customer

- ❖ The customer pays large or frequent consultancy fees to offshore companies
- ❖ The customer makes frequent payments to foreign professional intermediaries
- ❖ Legal person customer makes large payments to subsidiaries or other controlled companies that are not within the normal course of business
- ❖ The customer has cheques and incoming transfers inconsistent with sales or activities (i.e., unusual payments from unlikely sources)
- ❖ The selection of the method of payment for a transaction has been deferred to a date very close to the time of notarization or asset transfer, or there is (last-minute) request to change the payment procedures previously agreed upon, without logical explanation

⁴ Attorneys-at-law; Legal, financial, and tax advisors; Notaries; Bailiffs.

- ❖ Payment methods are suggested that are not appropriate for the common practice used for the transaction, e.g. the transaction involves a disproportional amount of private funding, bearer cheques or cash

Indicators related to the management of customer funds/securities/assets/accounts

- ❖ The customer seeks the services of the reporting entity to acquire large personal and consumer assets (i.e., boats, luxury automobiles, secondary residences)
- ❖ Loans taken out by the customer are not consistent with their business activities or personal purchases
- ❖ There is an excessively high or low price attached to securities transferred, given the circumstances (e.g. volume of revenue, trade or business, systematic losses or gains) or compared to the sum of securities declared in another operation
- ❖ The customer purchases property/assets in the name of a nominee

Indicators related to legal persons & arrangements

- ❖ The customer wants to prepare/carry out large financial transactions for recently created companies, where these transactions are not justified by the corporate purpose, the activity of the customer or the group of companies to which it belongs or other reasons
- ❖ The customer wants to set up or purchase a company with a corporate objective that is irrelevant to the customer's normal profession or activities without a reasonable explanation
- ❖ The customer wants to create or purchase foreign companies without a reasonable explanation in terms of legal or commercial reasons
- ❖ The customer wants to incorporate/form legal persons or arrangements in jurisdictions known to offer secrecy incentives, e.g. jurisdictions that do not require to report beneficial owners to a central registry, without a sufficient commercial explanation
- ❖ Legal persons or arrangements splitting company incorporation and asset administration over different countries, without any apparent legal or legitimate tax, business, economic or other reason
- ❖ The customer appears uninterested in the structure of a company they are establishing, or requests the formation of complex company structures without sufficient business rationale
- ❖ The customer is uncertain about location of company records or claims vague reasons for which it cannot share company records
- ❖ The company engages in fraudulent transactions, or transactions that are improperly accounted for, by the company, such as any of the following:
 - Over or under invoicing of goods/services

- Multiple invoicing of the same goods/services.
- Falsely described goods/services
- Multiple trading of goods/services
- Discrepancies between purchase and sales invoices
- Double invoicing between jurisdictions
- Fabricated corporate ownership records
- False invoices created for services not carried out
- Falsified paper trails
- Inflated asset sales between entities controlled by the same beneficial owner
- ❖ Frequent or large invoices by entities located in high-risk jurisdictions or territories without apparent business rationale
- ❖ Activities of the trust, company or other legal person/arrangement are unclear or different from the stated purposes under trust deeds or internal regulations of the entity
- ❖ Frequent or unusual changes in the management of legal persons or arrangements e.g. the resignation and replacement of directors or key shareholders shortly after incorporation or frequent changes in directors or key shareholders without an appropriate reason
- ❖ The management of a company or a trustee appears to be acting according to instructions of third parties
- ❖ The company demonstrates unusual or illogical increases in capital, e.g.:
 - A significant increase in capital for a recently incorporated company or successive contributions over a short period of time to the same company
 - An increase in capital from a foreign source, which has no relationship to the company/customer or is located in a high-risk jurisdiction or territory
 - An injection of capital or assets in kind that is excessively high in comparison with the business, size, performance or market value of the company
 - A company receives large sums of capital funding quickly following incorporation/formation, which is spent or transferred elsewhere in a short period of time without commercial justification
- ❖ The customer is a legal person or arrangement, or a customer seeks to carry out a transaction involving legal persons or arrangements, which were inactive for a long period following incorporation, followed by a sudden increase in (financial) activities without a logical explanation
- ❖ A transaction involves two legal persons with similar or identical directors, shareholders, or beneficial owners and there is no sufficient business rationale for the transaction

Indicators related to shell companies

- ❖ The legal person customer or the object company⁵ has formal nominee owners or directors, i.e. company service providers
- ❖ The legal person customer or the object company has informal nominee owners or directors, such as children, spouses, relatives or associates who do not appear to be involved in the running of the company
- ❖ The legal person customer or the object company does not have a physical presence or a credible online presence
- ❖ The legal person customer or the object company has a director or controlling shareholder(s) that cannot be located or contacted or that do not appear to have an active role in the company
- ❖ The legal person customer or the object company is registered under a name that suggests that the company provides activities or services that it does not provide or a name that mimics the name of other companies
- ❖ The legal person customer or the object company is registered in an address where masses of companies are registered or has only a post-box address, is registered at an address that does not match their profile, or an address that cannot be located on mapping services, or frequently changes location
- ❖ The legal person customer or the object company has no personnel or only a single staff member inconsistent with its economic activity
- ❖ The legal person customer or the object company has numerous authorised signatories without a sufficient explanation or business justification
- ❖ The legal person customer or the object company does not undertake any real business activities, generate wealth or income, but appears to facilitate transit transactions meaning that transactions appear to flow through the company with little perceived purpose
- ❖ The legal person customer or the object company does not pay any taxes
- ❖ The company is registered in a jurisdiction without any genuine economic activity in that jurisdiction

⁵ Meaning a company in relation to which the customer seeks the reporting entity's services, e.g. the company for which the reporting entity is requested to organize contributions for their creation, operation or management, or the company for which the reporting entity is requested to prepare transactions around their sale or purchase.

Indicators relating to the source of funds/financing arrangements for transactions⁶

- ❖ Financing is provided by a lender other than a regulated financial institution, with no logical explanation or economic justification, especially where the source of the funds of the funder is unclear or there is adverse information on the integrity of the financier
- ❖ Third party funding either for the transaction or for fees/taxes involved with no apparent connection or legitimate explanation to the customer;
- ❖ Funds received from a foreign country when there is no apparent connection between the country and the client or when high-risk jurisdictions or territories are involved
- ❖ Information on the source of funds shows statements of business activity that cannot be traced through the company records
- ❖ The customer purchases an asset in cash and then uses it as collateral for a loan

Other indicators

- ❖ A transaction/deal includes contractual agreements with terms that do not make business sense for the parties involved
- ❖ Requests for excessively quick transactions or transactions which pose an unnecessary business risk or expense
- ❖ A business transaction involves family members of one or more of the parties without a legitimate business rationale
- ❖ Remarkable and highly significant differences between the declared price in a deal and the approximate actual estimated values
- ❖ Unexplained use of powers of attorney or other delegation processes

⁶ See also the *Indicators related to financing arrangements* under Indicators for the real estate sector – many of the indicators which are listed there, are also relevant for financing arrangements of property/assets other than real estate.

TCSPs

TCSPs should also refer to the indicators related to legal persons & arrangements and indicators related to shell companies referenced under Legal professionals and accountants

Indicators related to trusts⁷

- ❖ Incongruous or unexplained relationships between beneficiaries and the settlor
- ❖ Unexplained or incongruous classes of beneficiaries in a trust
- ❖ Discrepancy between the supposed wealth of the settlor and the object of the settlement
- ❖ Activities of the trust are unclear or different from the stated purposes under trust deeds
- ❖ Frequent or unexplained alterations of the legal structure of the trust, e.g. change of trustee or protector, change of beneficiaries
- ❖ Trust assets are withdrawn immediately after being settled into the trust account
- ❖ The origin or current location of the source of funds for the trust is connected to a high-risk jurisdiction, especially if there is no apparent connection to the settlor/beneficial owner of the trust
- ❖ The customer seeks to establish a trust in a high-risk jurisdiction, especially if there is no apparent connection to the customer
- ❖ Indicators of use of trust structures to obscure ownership in order to place assets out of reach to evade taxes or avoid future liabilities
- ❖ It appears that a trust is set up for the purpose of managing shares in a company with the intention of making it more difficult to determine the beneficial owners of assets managed by the trust

Other indicators

- ❖ The customer enquires about the possibilities to use the TCSP's bank account as nominee account and loses interest in the TCSP's services when this is declined
- ❖ Transactions, structures, geographical location, international activities or other factors which are not consistent with the TCSP's understanding of the client's business or economic purpose behind the establishment or administration of the trust, company or other legal entity with respect to which the TCSP is providing services
- ❖ The customer is a legal entity, or the customer requests services in relation to a legal entity, with unusual complexity in control or ownership structures without a clear explanation
- ❖ The customer uses multiple TCSPs in the control and governance arrangements of legal persons or arrangements

⁷ These indicators must also be considered by Trustees under Article 3 of Law No. 214.

- ❖ The customer is focused on aggressive tax minimization strategies or there are indications (e.g. media reports) that the customer has sought to evade taxes
- ❖ The customer does not wish to obtain necessary governmental approvals/filings
- ❖ The customer seeks to obtain residents rights or citizenship in a jurisdiction in exchange for capital transfers, purchase of property or government bonds, or investment in corporate entities
- ❖ The customer seeks a one-off engagement for the establishment of complex trust, company or other arrangements without making further use of the TCSP's services

Business centers

- ❖ The request for a registered address in Monaco comes from a foreign religious or ideological association or foundation, or a person or entity connected to such an entity
- ❖ The request for a registered address in Monaco comes from an association or foundation that is active in a region known for armed conflicts and/or terrorist groups and/or terrorist insurgencies
- ❖ The person or entity requesting a registered address in Monaco, or their legal representatives or beneficial owners, have links to higher-risk jurisdictions or territories
- ❖ A person or entity requests to obtain business addresses for a wide range of different entities, without a clear reason
- ❖ A person or entity requests to obtain a business address for a shell company (an entity with no independent operations, significant assets, ongoing business activities, or employees)
- ❖ A person or entity seeks to obtain a business address for an SCI company or other asset-holding vehicles and refuses to provide information on the (location of the) assets held by the vehicle
- ❖ For legal persons customers and/or the legal entity for which the business centre provides the address, it cannot be confirmed and proven by reliable documents that it has declared beneficial ownership in Monaco's Register of Beneficial owners and the entity does not rectify this situation in a timely manner when the business centre enquires about this
- ❖ A person or entity seeks to obtain a business address for a company or other type of legal structure that remains for a long time in the phase of creation
- ❖ The customer makes frequent changes to the legal structure and/or legal representatives and/or key persons of the legal entity with the registered business address, without giving an adequate explanation
- ❖ The customer wishes to obtain a registered address for legal entities with an untransparent control or ownership structure, or for types of entities that facilitate the concealment of beneficial owners, such as foundations, entities with bearer shares or trusts

- ❖ The customer wishes to register an entity with multiple ownership layers involving foreign entities, without legitimate fiscal, legal or commercial reasons
- ❖ The address to which the business centre is request to forward mail frequently changes without adequate explanations
- ❖ An entity or person wishes to rent office or meeting space for a registered entity and pays for such services, without making use of them.

Dealers in Precious Metals & Stones, Jewellers and Watchmakers

- ❖ The customer attempts to pay for high-value goods with cash only
- ❖ The customer appears to be structuring purchases/payments to avoid due diligence thresholds or to remain just below the limit on cash transactions
- ❖ The customer attempts to use a payment card in a different name
- ❖ The customer attempts to use a third-party cheque
- ❖ The customer buys high-value goods using small-denomination bills
- ❖ The customer appears indifferent as to the exact items that they purchase
- ❖ The customer attempts to purchase goods in funds other than euros
- ❖ A person seeks to sell precious metals/gold, jewellery or watches without being willing or able to offer adequate explanations for their origins
- ❖ A person seeks to sell gold in bullion
- ❖ A person is willing to sell items at rates significantly lower than the actual value
- ❖ The purchase appears to be beyond the means of the customer based on their stated occupation or income
- ❖ Request to send the invoice to another party than the customer
- ❖ The customer inquires about the possibility of returning goods and receiving the money back through a different payment instrument than the one used to make the purchase
- ❖ The customer uses third-party addresses, post office boxes or addresses registered with company service providers
- ❖ The customer wants the items to be delivered to a location that appears to have no link with the customer's residence
- ❖ Multiple persons, without a clear relationship, are involved in selling or purchasing items

Yachting/chartering sector and Motor vehicle sector

- ❖ Customer seeking to purchase or rent a yacht or purchase a motor vehicle for a disproportionately high price compared to their business profile or revenues
- ❖ Request to register the yacht or vehicle on a different name than the name of the person leading the negotiation of the purchase of the yacht or vehicle, especially where the person in whose name the property must be registered has not been physically present at any time during the negotiations or where there is no clear relationship between the two persons
- ❖ Request to send the invoice to another party than the customer
- ❖ Indicators of structuring transactions, e.g.:
 - Request to split one transaction into multiple transactions
 - The amount of the money paid in cash remains just below the maximum threshold for cash transactions
 - The amount of the money paid in cash remains just below the threshold for the application of due diligence
- ❖ A customer seeks to return or exchange a recently purchased yacht or vehicle without a clear reason

Arts & antique dealers and Auction houses⁸

- ❖ Presence of natural or legal persons known to be involved in, or suspected of, trafficking in cultural objects
- ❖ Use of social media or intermediaries to advertise cultural objects that have been looted
- ❖ The customer suggests unusually complicated structures for achieving a purchase or sale
- ❖ Use of shell companies, trusts, or third-party intermediaries (e.g. interior designers, art advisors, etc.) to purchase, hold, or sell art, antique or other objects
- ❖ Cash transactions, in particular using large bulks of cash and use of large-denomination banknotes
- ❖ The customer is evasive or reluctant to provide adequate information relating to the item of art, antiquity or other object, or provides information which appears to be false
- ❖ Indicators in relation to pricing:
 - The customer knowingly wishes to sell at an artificially low or inflated price
 - The seller is not concerned with recouping their initial investments
 - Sales or purchases of art vastly or routinely exceeding the expected sales value of the work

⁸ Also applicable to bailiffs when they act in the context of public auctions.

- Sales or purchases of art involving purchasers who do not appear to be concerned with paying a substantially higher price than the notional value of the work
- Unusually high profit margins on the sale of an item of art, antiquity or other objects
- ❖ Early repayment or use of cash to repay an art-collateralized loan
- ❖ Imported or exported items have not been declared to the relevant customs administration(s), or the customer refuses or is unwilling or unable to share documentation in relation to customs declarations
- ❖ Purchase or termination of insurance policies to protect the market value or provide cash payments for the loss, theft, or destruction of privately held or donated high-value art in circumstances where other information has suggested the art has a low value
- ❖ Transactions involving unique archaeological pieces allegedly related to existing collections but previously unstudied or newly 'discovered' art allegedly attributed to a prominent artist
- ❖ Sales or purchases of art where the customer is not familiar with, or interested in, the provenance, history, style, genre, or artist of an object
- ❖ Transactions involving participants without expertise in concluding high-value purchases or sales
- ❖ Indicators of structuring transactions, e.g.:
 - Request to split one transaction into multiple transactions
 - The amount of the money paid in cash remains just below the maximum threshold for cash transactions
 - The amount of the money paid in cash remains just below the threshold for the application of due diligence
- ❖ A customer seeks to return or exchange a recently purchased item of art, antique or other object without a clear reason

Sports agents

- ❖ Persons seek to invest in sports clubs without prior involvement in the sport or sports club or links to the sport or sports club
- ❖ Persons seeking to invest in sports clubs are known for involvement in match-fixing, illegal sports gambling, corruption, or other crimes or are associated to such persons
- ❖ Politically exposed persons (including family members and business associates of PEPs) seek to make investments in sports clubs
- ❖ Persons provide funding to sports clubs without any negotiated compensation in financial or other terms, e.g. advertising or sharing in winnings

- ❖ Investments in sports clubs by natural persons for amounts which are disproportionate to the natural person's wealth or income
- ❖ Investments in sports clubs through companies for amounts which are disproportionate to the financial position of the company
- ❖ Investments in sports clubs through companies for which it is difficult or impossible to determine the legal or beneficial ownership, or companies registered in high-risk jurisdictions or offshore tax havens
- ❖ A person seeks to specifically target sports clubs in financial trouble looking for "lifesaving sponsors"
- ❖ Purchases of players whereby only part of the total price is stated in the official documents and the other part is to be paid "under the table"
- ❖ Over-evaluation of a player in a transfer - willingness to pay disproportionately more for the player than other parties would be willing to pay
- ❖ The selling party of a player requests for funds to be transferred to an account in a third country
- ❖ Players with image rights contracts with third companies receive higher or lower returns than would be expected based on their reputation
- ❖ Indications that parties may evade taxes, e.g. the club and the player disguise a part of the salary as a payment for image rights or the player seeks advice on how to avoid paying taxes generated through image rights contracts or sponsorship deals