



Republic of Serbia
MINISTRY OF FINANCE
Administration for the Prevention of Money
Laundering

**LIST OF INDICATORS FOR IDENTIFYING SUSPICIOUS TRANSACTIONS
RELATED TO TERRORISM FINANCING**

1. A person refuses to identify themselves or when they learn of the need to identify, they break any further cooperation.
2. A person uses a fake name, address or phone number, or presents forged or false documents for the purposes of identification
3. A person offers a large compensation for extraordinary legal and financial services.
4. A person requires that funds be deposited in multiple accounts or transferred to several accounts abroad.
5. Using accounts of non-profit organizations or corporate/personal accounts to transfer funds abroad to several recipients in a short period of time.
6. A large number of persons is authorized to use assets in the account even though there is no apparent family or business connection among them.
7. A person opens multiple accounts and increases deposits by frequently depositing small amounts in a manner inconsistent with their economic profile.
8. Opening accounts on behalf of natural and legal persons known to be related to a terrorist organization.
9. Depositing money into accounts held by natural or legal persons in the amounts inconsistent with the economic profile of the natural or legal person.
10. A person conducts transactions always using an ATM, frequently deposits cash, or frequently withdraws cash in the amounts which are a daily limit on the ATM, and they do so on a daily basis, even though there is the branch office of the bank nearby.

**LIST OF INDICATORS FOR IDENTIFYING SUSPICIOUS TRANSACTIONS FOR
ATTORNEYS AND LAW FIRMS**

1. A client talks about and admits to being involved in a criminal activity.
2. A client does not want their mail to be sent to an address in the country.
3. A client holds accounts in different financial institutions in the same area for no apparent reason.
4. A client or their business activities are under surveillance of state authorities or the client is on the international arrest warrant.
5. A client shows great interest in reporting obligation under the Law on the Prevention of Money Laundering and Terrorism Financing.
6. A client avoids meeting with the attorney in person or contacts the attorney through third parties.

7. A client is involved in activities that are not typical of their business operations.
8. A client requires to proceed quickly with transactions regardless of higher costs that such a service implies.
9. A client uses different names or nicknames, and similar, although in fact different addresses.
10. A client uses P.O. Boxes or other types of postal addresses instead of a street address, which is not common in that area.
11. A client offers money, gifts or other uncommon reward as a favour for unusual or suspicious transaction.
12. A client is very familiar with cases relating to money laundering and terrorism financing.
13. A client gives suspicious or vague information.
14. A client submits for review inadequate documents, or documents whose validity is doubted, or the client opposes the submission of identity documents or presents only photocopies of personal documents.
15. All personal documents have been issued abroad, and their credibility is difficult to verify.
17. A client wants to do business in cash, although it is unusual for their line of business.
18. Business relationship is not consistent with the financial situation of the client or their usual business activities
19. Business relationship or a transaction also involves (as parties to transaction) non-profit organizations or charities, without visible economic reason.
20. A client concludes or verifies contracts that seem unusual or for which there is no economic or business justification.
21. A client comes to a law office with plenty of cash, gold, precious stones or securities that they wish to deposit or to surrender for conducting certain transactions or initiating business relationship in a way unusual for regular financial operations and with visible endeavours to avoid using financial institutions.
22. A client conducts a transaction with real estate property on behalf of resident and non-resident natural and legal persons, coming from off shore territories.
23. A client sets a selling price for real estate inconsistent with market prices.

LIST OF INDICATORS FOR IDENTIFYING SUSPICIOUS TRANSACTIONS FOR PERSONS PROVIDING ACCOUNTING SERVICES

1. A client does not want their mail to be sent to an address in the country.
2. A client holds accounts in different financial institutions in the same area for no apparent reason.
3. A client or their business activities are under surveillance of state authorities or the client is on the international arrest warrant.
4. A client shows great interest in reporting obligation under the Law on the Prevention of Money Laundering and Terrorism Financing.
5. A client is involved in activities that are not typical of their business operations.
6. A client requires to proceed quickly with transactions regardless of higher costs that such a service implies.
7. The party has recently established several business relationships with various financial institutions.
8. A client uses P.O. Boxes or other types of postal addresses instead of a street address, which is not common in that area.

9. A client offers money, gifts or other uncommon reward as a favour for unusual or suspicious transaction.
10. A client gives suspicious or vague information
11. Business relationship or a transaction also involves (as parties to transaction) non-profit organizations or charities, without visible economic reason.
12. A client wants to convince the accountant that it is not necessary to complete or submit some of the required documents.
13. Business operations of a client are significantly different from normal business operations within the industry.
14. A client lives beyond their means.
15. A client often changes their bookkeepers and/or accountants.
16. A client does not know where business records are kept.
17. A client (legal person) has no employees, which is not in accordance with the type and volume of its business.
18. A client pays fees for certain types of services to firms based in offshore destinations (tax havens).
19. A client insists that the final account show business loss, although there are no justified reasons for that.

LIST OF INDICATORS FOR IDENTIFYING SUSPICIOUS TRANSACTIONS RELATED TO MONEY TRANSFER SERVICES

1. A client transfers large amounts of money abroad, giving instructions to make a payment in cash to a legal person abroad.
2. A client receives large sums of money from abroad, with the instructions to be paid in cash.
3. The amount of an electronic transfer is not in line with business transactions.
4. A client transfers funds into the countries known to be places of drug production or to be a transit route for drugs.

LIST OF INDICATORS TO RECOGNISE SUSPICIOUS TRANSACTIONS IN FORFEITING

1. Client (exporter) offers to the forfeiter security instruments (promissory notes, bank guarantees, and letters of credit) issued by an off-shore purchaser whose ownership and true business structure, i.e. business activity.
2. Client (exporter) has business transactions with purchasers from countries that do not apply generally accepted AML/CFT standards.
3. Client (exporter) selling its receivable to Forfeiter, exports (sells) goods that do not belong to the usual production or trading portfolio of the client.
4. Forfeiter purchases from the client (exporter) bank guarantees issued for the account of purchaser by a bank with poor solvency or bank from countries that do not apply generally accepted AML/CFT standards.
5. Client (exporter) offers its receivables to the Forfeiter under very favourable conditions that are far under the expected conditions, thereby consciously making business loss.
6. Forfeiter has information that the client (exporter) has just been founded and is not well established company, which intermediates in export and offers, in turn, to the real producers of goods extremely stimulative or above-average purchase prices.
7. Forfeiter has information that the client (company) is represented by persons with bad business reputation.

8. Forfeiter has difficulty in identifying the true ownership and management structure of the client (exporter) as well as of the foreign buyer.
9. Forfeiter doubts the veracity of the issued security instruments offered by the client as a guarantee for the purchase of debts.
10. Trade contract of the client (exporter) is not drafted in line with the standards used for such type of goods.
11. Client frequently requests from the Forfeiter to direct the incoming transfers to accounts of other legal persons instead of its own.
12. Forfeiter has information that the client (exporter) offers also to the other forfeiting companies to purchase receivables, giving at the same time different data concerning the contracted or performed business transaction that differ from true data to a considerable extent.

LIST OF INDICATORS FOR IDENTIFYING SUSPICIOUS TRANSACTIONS FOR PERSONS ENGAGING IN POSTAL COMMUNICATIONS

1. Goods sent by mail are different from those described in the declaration of the sender because of false or misleading statements given.
2. Precious stones, precious metals or other values are continuously sent to addresses other than those of dealers or manufacturers engaging in marketing or treatment of precious stones, precious metals or the values sent.
3. A person refuses to identify themselves or when they learn of the need to identify, they break any further cooperation.
4. A person uses a fake name, address or phone number, or presents forged or false documents for the purposes of identification.
5. Frequent delivery of postal money orders to the same person.

LIST OF INDICATORS FOR IDENTIFYING SUSPICIOUS TRANSACTIONS FOR PERSONS PROVIDING TAX ADVISORY SERVICES

1. A client does not want their mail to be sent to an address in the country.
2. A client holds accounts in different financial institutions in the same area for no apparent reason.
3. A client or their business activities are under surveillance of state authorities or the client is on the international arrest warrant.
4. A client shows great interest in reporting obligation under the Law on the Prevention of Money Laundering and Terrorism Financing.
5. A client is involved in activities that are not typical of their business operations.
6. A client requires to proceed quickly with transactions regardless of higher costs that such a service implies.
7. The party has recently established several business relationships with various financial institutions.
8. A client offers money, gifts or other uncommon reward as a favour for unusual or suspicious transaction.
9. A client gives suspicious or vague information
10. A client (legal person) has no employees, which is not in accordance with the type and volume of its business.

LIST OF INDICATORS FOR IDENTIFYING SUSPICIOUS TRANSACTIONS IN PROVISION OF GUARANTEES

1. A person refuses to identify themselves or when they learn of the need to identify, they break any further cooperation.
2. A client offers unusual compensation for provision of guarantee.
3. Provider of guarantee has some information that the client is associated with persons who are in conflict with the law.
4. Provider of guarantee has some information that the client is not credit-worthy and that they conceal the real identity of the creditor.
5. Provider of guarantee has some information that the client often approaches other providers of guarantees as well.

LIST OF INDICATORS FOR IDENTIFYING SUSPICIOUS TRANSACTIONS FOR ORGANIZERS OF GAMES OF CHANCE OPERATED ON THE INTERNET, TELEPHONE OR IN ANOTHER MANNER USING TELECOMMUNICATION NETWORKS

1. Players possess credit cards issued in offshore destinations or in countries that do not comply with standards against money laundering and terrorist financing (the black list)
2. A player demands that the winnings be transferred to another account or even to the accounts of third parties.
3. In case of a large winnings, players avoid identifying themselves.
4. Organizer of the games has some information that the player hides their IP address.
5. A player shows interest in certain game packages and makes suggestions as to some packages.

LIST OF INDICATORS FOR IDENTIFYING SUSPICIOUS TRANSACTIONS FOR AUDITING COMPANIES AND CERTIFIED AUDITORS

1. Responsible person (manager) of the client (company) does not know its business activities well, or has an obvious lack of interest in the business. .
2. A certified auditor has never been shown around the premises of the client (for example, manufacturing facility of the company), which may indicate a suspicion on a fictitious company.
3. A complex organizational structure of a client (company) as opposed to the company's activities, without a justified reason for such complexity.
4. A client makes or receives advance payments, but it is not very probable that business will be actually completed, due to business policy of the client (company)
5. Large unexplained fluctuations in the profit and loss account (excessive income over expenditures).
6. A client (company) does business to a great extent or in an unusual way with partners whose line of business is not the same or similar to that of the client.
7. Recording changes in the financial statements were conducted on the basis of dubious documents, which might indicate suspicion on a fictitious transaction.
8. A client (company) conducts business operations based on cash.
9. A client receives substantial inflows from offshore companies, whose ownership and business structure is difficult to identify.

10. Extremely high outflow of funds from the account of the client to foreign countries, particularly based on various types of services.
11. A client concludes a contract every year with another certified auditor, which indicates that the client may wish to conceal its activities.
12. A certified auditor has some information that the founder or managers of the company (client), as well as the company itself have been involved in criminal activities, (it can be seen in the press, news, etc.).
13. A client makes frequent cash payments into its own account as capital contribution, or it receives payments from several natural persons on the basis of a loan.
14. A client pressures the auditing company with threats and intimidations, or threatens to hire another auditor, or tries to bribe the auditing company into making the financial statement as favorable as possible.