



States of Jersey Police & Customs Joint Financial Crimes Unit

Guide to compiling a Suspicious Activity Report (SAR)

1. Introduction

- 1.1. This document has been produced to assist compliance and money laundering reporting officers within the Jersey Financial Services Industry in the submission of a SAR to the States of Jersey Police & Customs Joint Financial Crimes Unit (JFCU).
- 1.2. This guide in no way replaces the regulations and legislation covering anti-money laundering procedures.
- 1.3. The guide is set out in relation to each specific area identified within the SAR template. It also covers reasons why the topics are of importance to the JFCU.
- 1.4. They may also assist in serving the industry in relation to any in-house training of staff with regard to the submission of internal suspicious activity reports.
- 1.5. The report template and guide can be located at the following locations
 - On the States of Jersey Police web site within the JFCU section.
 - On the Jersey Financial Services Commission's (JFSC) web site, and;
 - Contained at appendix A under the Anti-Money Laundering section, Regulated Financial Services Businesses of the AML/CFT Handbook.

2. Obligation

- 2.1. Financial institutions and other organisations regulated by the Jersey Financial Services Commission undertaking relevant business, have an **obligation** to report where they have:
 - Knowledge,
 - Suspicion,
 - Or
 - Reasonable grounds for knowing or suspecting
 - Money laundering
 - Or
 - Terrorist financing.



3. Relevant Laws

- Proceeds of Crime (Jersey) Law 1999 (as amended)
- Drug Trafficking Offences (Jersey) Law 1988 (as amended)
- Terrorism (Jersey) Law 2002 (as amended)

4. What makes a good disclosure?

4.1. The following are all important when submitting a SAR:

- Format
- Timing
- Content

4.2. If the report is not submitted in the preferred manner or standard, or contains only limited information or intelligence it cannot be handled quickly. As a consequence any acknowledgement or consent issue may be delayed.

4.3. Typed disclosures are preferred as handwritten submissions may cause delays in transcription.

4.4. The aim should be to submit the disclosure as soon as possible after the suspicion has been aroused.

NOTE: A SAR does not only cover business being held or administered by any disclosing institution. Business that may have already been declined or is being reviewed prior to being taken on may have aroused suspicions. This could be connected with the individual making application or about the type of business he/she is seeking. In circumstances such as these the SAR can be submitted to the JFCU outlining any suspicions and providing as much detail as has been provided by the subject at the time of application. The submission of such a report may not contain all of the relevant information required for a full SAR but may be sufficient for the JFCU to take preventative action should it be required.



The Suspicious Activity Report

5. Disclosing institution

5.1. **Date** - This should be completed and show the date you submitted the SAR to the JFCU.

5.2. **JFCU Reference number** - This should be left blank on any initial submission.

NOTE: If submitting an update to a previously submitted SAR, the JFCU reference number identified within the JFCU response letter should be quoted. Each SAR will be treated as a separate disclosure but it is important to cross reference linked SARs.

- Name of institution (Legal name of company or companies as registered with the JFSC)
- Address (In full & inclusive of post code)
- Sort Code
- Contact name
- Direct telephone number
- Fax
- E-mail
- Your reference number

NOTE: The above is important as should any investigation develop to the stage of records being required evidentially. This identifies the entity that any subsequent Production Orders or Notices issued by the Law Officers' Department or the JFCU will be served upon.

6. Subject(s) of report

- Surname
- Maiden or Previous name
- Forenames
- Mr/Mrs/Ms/Miss/other
- Alias
- Associates

6.1. In the case of foreign names if a passport has been used for identification purposes the name should be as it appears on the passport. It is important from a researcher's point of view that the full name includes middle names. **Please ensure** the correct spellings and order of the names are given. This can be essential in the case of foreign names as it is often found that a



different combination of these names may have been used by the individual or recorded by the disclosing institution when taking business on.

- Date of Birth
- Place of Birth
- Gender
- Nationality

NOTE: The date and place of birth is of vital importance to the JFCU as the detail assists in fully identifying the individual concerned. Without this detail it may be impossible for any meaningful research to be carried out, a name such as “John Smith” may reveal an unmanageable search parameter.

6.2. **Occupation** - AML guidelines state the initial opening of any account requires the subject to identify this. This should also include whether the nominal is retired or if the disclosing institution know of previous occupations held.

6.2.1. This could assist in identifying any suspicious activity on the account by the amounts of funds received and dispersed in relation to the subject’s projected income. This detail is relevant in any account opening documentation completed by the subject.

6.3. **Politically Exposed Person (PEP)** – this is a term that describes a person who may be or recently acted in the political arena of a country or who has held a position in such an area previously. A PEP poses potential reputational risk to financial institutions and therefore enhanced due diligence procedures are required to be undertaken.

6.3.1. The definition of a PEP is commonly based on the Financial Action Task Force (FATF) definition.

- Current or former senior official in the executive, legislative, administrative, military, or judicial branch of a foreign government
- A senior official of a major foreign political party
- A senior executive of a foreign government owned commercial enterprise, being a corporation, business or other entity formed by or for the benefit of any such individual
- An immediate family member of such individual; meaning spouse, parents, siblings, children, and spouse’s parents or siblings
- Any individual publicly known (or actually known by the relevant financial institution) to be a close personal or professional associate

6.4. **Address** - This should include all known addresses and should identify which type, e.g.



- Home
- Business
- Correspondence
- Previous

NOTE: This may include previous addresses which have been used. This could be relevant when a suspicion of money laundering surrounds a previous address used by the subject(s) which has been discovered through other lines of enquiry/historical intelligence.

6.5. **Contact details** - Insert all the details held that have been given by the subject as a point of contact. These should be the most up to date contact details held by the disclosing institution. Previous numbers may, should an investigation be commenced, have significance and may be requested at a later stage. These should be retained within the subject's file.

6.6. **Identification details** - this is the area where the disclosing institution is requested to inform the JFCU of the method in which the subject provided photographic identity. Passport is the most common. It may be that the subject does not hold a passport and provides some other form of photographic identity such as a driving licence.

6.6.1. When receiving these documents the disclosing institution should have ensured that any copies are clear and show a good and clear resemblance of the subject. The subject should be identifiable from the copy held. Modern day scanners and photocopiers allow for the copying of photographs.

6.6.2. A copy of the identification document can be provided with the SAR if the disclosing institution so wish. The transmission of photographs by facsimile does not normally provide a clear picture of the subject concerned and the JFCU may request that a copy of any photographic identity is provided by way of e-mail or a copy is collected from the disclosing institution.

6.6.3. Identity documents such as this need to be checked to ensure they are valid and not out of date.

6.6.4. The disclosing institution should complete this section by entering the details of Passport/Driving licence/Identity card/other number. The country in which the ID was issued and the valid dates are useful.



7. Company(ies) of report

7.1. This should be completed where the subject is a company and / or a company is connected to the subject. The more detail provided the easier it becomes to carry out analysis of the company.

7.2. **Beneficial Owner(s)** - The beneficial owner(s) (if known) of any companies disclosed should be identified. Where possible their full details should be included, as again, this may reflect upon any enquiries carried out by the JFCU. If there is a Trust involved, details of trustees, settler/s, beneficiaries etc would be helpful.

8. Subject or Company Account Details

8.1. The following should be provided:

- Full account number including sort code being disclosed upon
- Details of any other connected accounts inclusive of same detail
- Any other accounts or related accounts held by the subject of the disclosure

8.2. This will assist in analysing and identifying any accounts for which documentation may be required evidentially. This allows the accounts numbers to be identified within any subsequent Production Orders or Notices which may be served upon the disclosing institution.

8.3. **Date Opened** - The date the business was established with the disclosing institution. This detail assists in revealing the type of relationship the subject has had with the institution (long/short term). It also assists in identifying the amount of documentation that can be expected to be held as well as that which may no longer be held in the event of any Production Orders/Notices being served.

8.4. **Assets held** – examples include:

- Current cash balance
- Property held
- Other assets held

8.4.1. Assets of the subject currently held by the disclosing institution. This includes assets of which the disclosing institution are aware but do not necessarily control. This assists the JFCU in the decision making process, particularly in regard to the initial response they provide regarding “consent to operate normally” or “no consent”. In the event that a “no consent” is issued to the disclosing institution, the JFCU will



have to advise the Viscounts Department of the type of assets held prior to any Saisie Judiciare being applied to the account/business. This will reflect on how those assets are maintained prior to any confiscation order being granted by the Courts.

9. Disclosure Type

- Proceeds of Crime
- Drug Trafficking
- Terrorism

9.1. The appropriate box should be marked with a **X**. (**Please select only one option**).

9.2. This may not always be clear to the person completing the form. The suspicious activity may not give rise to easy identification of what type of crime has been committed. In such a case an X within the Proceeds of Crime box would be appropriate.

9.3. All crimes generating a monetary gain or assets can fall within the Proceeds of Crime Law. The JFCU may identify that the more appropriate offence would have been Drug Trafficking, this would only affect the JFCU's internal statistics and not the way in which they respond to the SAR. (Remember this form relates to **your suspicions**, not what is ultimately discovered by any subsequent analysis).

10. Reasons for Suspicion

10.1. A good quality SAR should identify the type of business held by the disclosing institution. It should identify fully the reasons for

- Suspicion
or
- knowledge of,
or
- reasonable grounds for knowledge or suspicion of,

money laundering (or terrorist financing), the identity of the subject and whereabouts of the laundered property as far as it is known.

NOTE: It is essential that the full reasons for suspicions are identified within this area. One line submissions with reference to documents are not satisfactory as



they may require further interpretation and result in delaying any analytical examination.

10.2. Officers within the JFCU cannot be expected to understand all complexities relating to all financial products and services available. An overview of the type of business being conducted is essential. Remember you have access to the client file and a working knowledge of the business, the JFCU do not.

10.3. It may be that the disclosing institution holds information relating to a client who has been with the institution for a number of years and has a substantial business portfolio. This information may be relevant for a more complete analysis, but may not necessarily be required within the initial SAR.

10.4. The full reason for suspicion should include;

- Is the client a politically exposed person(s)?
- Is the business in a high risk area?
- Date of the activity/proposed activity/transaction.
- Type of product or service.
- How the activity/transaction will or has been conducted.
- Why this particular activity is considered suspicious.
- If the business account or relationship is not being conducted in the manner it was set out to be.

If consent is required this should be identified within this section and the reasons as to why consent is required; to facilitate a payment, to enter into an arrangement etc.

10.5. On some occasions the MLRO may have to make a decision, prior to reporting to the JFCU, as to whether the transaction should be permitted. Such occasions could be;

- The transaction cannot be isolated sufficiently from the normal running of the account without freezing all of the account(s). This may lead to tipping off the customer.
- Insufficient notice is given for the MLRO to prevent the transaction.
- Where delay may contravene market regulations.

10.6. The over-riding factor is to avoid 'Tipping Off'. The MLRO should have a reasonable excuse if a pre-advised transaction of which they are suspicious (or where there are reasonable grounds to suspect) is permitted to proceed without consent.

10.7. Do not delay in submitting a SAR when consent is being or is likely to be sought. This may be identified within the submission and noted by those



receiving the report. The delay may also result in a delayed response from the JFCU which could result in any given deadlines not being met.

10.8. Additional material that may assist the JFCU can be attached to the report if necessary, such as:

- Structure charts
- Copy correspondence
- Copy vouchers/transfers
- Account opening documentation
- Press articles
- Internet articles
- Copy of Notices served
- Identification documents etc.

10.9. The relevance of any attachments can be identified within the body of the report and can be used to explain any suspicions in more detail.

NOTE: Where articles are quoted from internet, a dated copy with the full www address of the article should be included. This will allow the JFCU to review the report more effectively. Internet research can be specialised and each researcher will use differing search parameters, which may not necessarily reveal the same article.

11. Additional Information

11.1. **Other associated persons or companies** – full details (please add an additional sheet if necessary).

- Full name
- Date of birth
- Address
- Occupation

or

- Full company name
- Registration number
- Where registered

11.1.1. This area should be completed where the disclosing institution, know, have established, or have identified a connection with the person/entity subject of the disclosure. This area should include sufficient detail to allow the JFCU to conduct research into those persons/entities. In particular, full names and dates of birth of any persons (if known). Full company details inclusive of address, where registered and registration number if known.



11.1.2. If the associated company is known to be administered locally, consideration should be given to identifying the administering agents. The telephone number of the company should be included if known. (Consider checking to see if this number matches the details given within a directory, or is it a facsimile or mobile phone number – this may lead to further suspicions in some cases).

11.2. **Details of introducer/intermediary**

- Full name
 - Date of birth
 - Address
 - Occupation
- and/or
- Full company name
 - Registration number
 - Where registered

11.2.1. If the disclosing institution has received the business they are now disclosing on, through an introducer/intermediary, this should be identified. Full details should be provided where possible.

11.2.2. This is relevant in the context that an agreement may be in place between the disclosing institution and the intermediary with regard to KYC/ due diligence procedures. It is possible further enquiries may need to be undertaken by the disclosing institution or JFCU so as to establish any other relevant information/intelligence that would assist in analysis of the business. This could also reflect upon the intermediaries themselves, with regard to AML procedures. The details of the introducer/intermediary could also be relevant, in that information already held by the disclosing institution or JFCU reveals the introducer/intermediary as a common factor within a number of received SARs.



12. Areas for further consideration

12.1. Data Protection

12.1.1. The complete and relevant sections of the Data Protection (Jersey) Law 2005 should be researched where necessary as the below notes are only to give guidance.

12.1.2. It is understood that all clients have a right to privacy in their financial affairs. The Data Protection (Jersey) Law and its equivalent in other countries, seeks to protect those rights. The collection of information relating to clients for due diligence purposes can be seen as a regulatory requirement that is covered by the prevention or detection of crime. However the nominated officer must ensure that the information is handled with care and is only applied for the purpose for which it is intended.

12.1.3. Jersey's anti-money laundering legislation places an obligation on Financial Services Businesses to make a SAR to the JFCU where they have knowledge or suspicion of money laundering. This requirement can, on occasions, conflict with the requirements of the Data Protection (Jersey) Law relating to Subject Access Requests.

12.1.4. The Law provides an exemption in any case where the response to such a Subject Access Request would be likely to prejudice the prevention, detection or investigation of crime where the response would lead to the commission of a tipping off offence under the:

- Proceeds of Crime (Jersey) Law 1999,
- Drug Trafficking Offences (Jersey) Law 1988
- Terrorism (Jersey) Law 2002.

12.1.5. It is not possible to identify any specific rules regarding Subject Access Requirements and each request should be considered on a case by case basis. If you are in any doubt as to whether a disclosure may prejudice an investigation or potential investigation you should contact the JFCU and seek guidance. This becomes more relevant when an internal SAR has been submitted which may not have resulted in a full disclosure being passed to the JFCU.



13. Administration

- 13.1. To guard against a tipping off offence, the MLRO should ensure that no information relating to a SAR is released to any person without their authorisation. Any internal SARs should be retained in a separate and secure area to which access is restricted. These SARs **should not** be held in the normal client file which can be accessed by un-authorized members of staff.
- 13.2. The MLRO should retain a detailed record of why internal SARs were disclosed/not disclosed to the JFCU. An audit trail of decisions not to disclose should be retained and details of later reviews and risk assessments, control strategies maintained. Further consideration should be given to guarding against any potential “Tipping off” offences; this may require the MLRO to give guidance to staff when responding to requests/demands of the client when a report has been submitted.
- 13.3. Full copies of all documents supplied in relation to all SARs should be retained by the MLRO. This way they are in a position to confirm exactly what documentation was supplied to the JFCU or Law Officers Department when responding to an official Notice or Order. Details of where key documents might be stored should be maintained, as originals may be in other jurisdictions or in storage elsewhere.
- 13.4. **As stated at the commencement of this guide, this is merely a guide and it is only intended to assist Financial Services Businesses as and when the submission of a Suspicious Activity Report is required to be completed. This guide identifies the relevant anti money laundering legislation which should be regarded in conjunction with the JFSC Handbook on the subject.**
- 13.5. **Please contact the JFCU if you have any queries on 612250.**
- 13.6. When the SAR is completed it should be forwarded to;

The Joint Financial Crimes Unit,
PO Box 789,
Rouge Bouillon,
St. Helier,
Jersey, JE4 8ZD

Or

Facsimile 01534 870537



14. What happens next?

- 14.1 Upon receipt of the SAR by the JFCU it will generally be reviewed by the Detective Sergeant in charge of the Intelligence Wing and an initial decision made on the issue of consent. A response letter will be issued by the Detective Sergeant and this will, in the vast majority of cases, be sent to you within two working days of JFCU receipt.
- 14.2 Within the response letter will be reference to the case officer to whom the SAR has been allocated, and his or her contact number.
- 14.3 The fact that a SAR has been submitted should not preclude the author from continuing their own enquiries to negate or further confirm their suspicions, whilst paying due regard to the provisions of tipping off.

Joint Financial Crimes Unit
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