Suspicious Transaction Forms
Country analysis of STR requirements
March 2017
Suspicious Transaction Forms - Introduction

This presentation sets out high-level findings in respect of anti-money laundering ("AML") legislation and the requirements for the reporting of suspicious activity in relation to human trafficking ("HT") in the following jurisdictions:

- The United States,
- Hong Kong,
- Thailand,
- Australia,
- Singapore,
- The United Kingdom,
- Indonesia,
- Malaysia,
- Cambodia,
- Vietnam,
- China,
- New Zealand,
- Canada,
- Liechtenstein,
- The Netherlands,
- France,
- Switzerland,
- India

By comparing the AML requirements of jurisdictions in Asia with those of jurisdictions in North America and Europe, we highlight variations in approaches to defining HT as a predicate offense to money laundering and also in the gathering, producing, and disseminating of data about HT-related financial crimes under domestic laws relating as applicable to financial institutions and similar.

Furthermore, we highlight the need for improvements and uniformity in approaches to gathering data about HT through Suspicious Activity Reports ("SARs") filed by financial institutions in jurisdictions throughout Asia.

Finally, we underscore the need for financial regulators and financial intelligence units ("FIUs") to issue guidance to financial institutions on understanding human trafficking as a crime of many crimes and the requirements for reporting suspicious activity in connection with HT.
Global Focus on AML and HT

- Efforts to apply AML techniques to the prevention of HT have taken on increased prominence in recent years as authorities around the world target the movement of illicit funds in connection with HT. These efforts have been in addition to the criminal justice approach, which has struggled to achieve its potential given the very small number of prosecutions and convictions globally.

- Financial institutions play an important role in supplying much-needed information to national and international law enforcement for the identification of illegal activity and criminal networks.

- Noteworthy examples from recent years include:
  - In the United States, Western Union, one of the world’s largest money service businesses, entered into a USD 586 million settlement with the U.S. Department of Justice and other authorities stemming from allegations of money laundering and other crimes, including processing transactions related to human trafficking over several years.
  - As part of its Project Protect, Canada’s Financial Transactions and Reports Analysis Centre (FinTRAC), the country’s Financial Intelligence Unit ('FIU'), has made numerous disclosures to Canadian police regarding suspicious activity in connection with human trafficking based on reporting by financial institutions since 2015.
  - In 2015, authorities in Thailand seized assets worth more than USD 1 million from individuals suspected of human trafficking. According to the country’s Anti Money Laundering Office, authorities have seized more than USD 100 million as part of a broad crack down on smuggling networks.

- These and other examples provide a model for how financial institutions, FIUs, and law enforcement can cooperate in the effective prevention of HT in all forms.
Financial institutions and Anti-Money Laundering – Domestic legislation

- Each jurisdiction covered requires, and jurisdictions globally as a general rule require, reporting of suspicious activity in financial transactions as a means to combat money laundering. Such reporting is generally made through pro forma suspicious activity reports.

- Predicate offenses to money-laundering legislation in the jurisdictions covered generally include some kind of human trafficking legislation in the statutory law of the jurisdictions covered in this survey. This is, in general terms, as an indirect result of anti-money laundering legislation looking to domestic criminal law broadly in defining predicate offenses.

- Notwithstanding the above, typologies of human trafficking vary from jurisdiction to jurisdiction. Historically, and prior to the implementation of the Palermo Convention, human trafficking legislation such as it was focused more narrowly on trafficking of women for sexual exploitation. Recognition of a wider variety of end exploitation scenarios trafficking for labour exploitation, or for harvesting or organs) is increasingly recognised under domestic laws.

- In addition to domestic legislation in respect of human trafficking

The Financial Action Task Force (FATF) “Special Recommendations” require member countries to “criminalise money laundering on the basis of the Vienna Convention and the Palermo Convention. Countries should apply the crime of money laundering to all serious offenses, with a view to including the widest range of predicate offenses.” In addition, “Countries should ensure that financial institutions are subject to adequate regulation and supervision and are effectively implementing the FATF Recommendations.”

The Palermo Convention refers to the United Nations Convention against Transnational Organized Crime, 2000 and its related protocols, including Annex II to the Palermo Convention (the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children). This Protocol is the key piece of HT legislation in international law and Article 3 to the Protocol provides the accepted benchmark definition in international law for “trafficking in persons.

As such, FATF sets a normative framework for member countries, and the financial institutions within them, to ensure that AML compliance has regard to HT as a source for money laundering and predicate offense to anti-money laundering legislation. To underline the point, the UN Security Council has also encouraged FATF and FATF-style regional bodies to consider including an analysis of financial flows associated with trafficking in persons that finances terrorism as part of its ongoing work.

The FATF “Special Recommendations” do not have the force of law in every jurisdiction, though in some cases the Special Recommendations are written in to domestic law. Where this is not the case, these do provide a normative framework for the supervision and implementation of effective AML standards.
Financial institutions – institutional awareness of HT

- In general terms, jurisdictions worldwide, and in the sample jurisdictions captured in this survey, incorporate HT as a predicate offense to money laundering. In those jurisdictions which are members of FATF, the normative framework further embeds the fight against laundering of funds from HT even further.

- The survey reveals that while there is indeed, in general terms, a legal, regulatory and normative framework to counter the laundering of funds from HT, there are only limited instances where AML legislation makes specific and direct reference to human trafficking as a predicate offense. This creates difficulties for financial institutions, as internal compliance efforts may not customarily focus on human trafficking itself.

- As a further obstacle, the survey reveals that suspicious activity reports place the onus of specifying the suspected source of funds on the reporting institution without specific indicators or “tick-boxes”. In some instances, a “tick-box” approach is set out in the form of reports – guiding reporting institutions to consider possible sources of funds. From our review sample, only one jurisdiction (Hong Kong) includes HT as a possible source of funds on the form of report. It is therefore difficult for reporting institutions, in the absence of specific internal compliance direction, to be aware of the need to consider HT as a source.

- Some jurisdictions have proven more effective than others in providing information/data in respect of HT than others. In the United States, the “Trafficking in Persons” report is hallmark example of disclosure on government data aggregated on HT. In some jurisdictions, FIUs release quarterly reports disseminating information built up over the quarter to the public. Information dissemination in the Netherlands and Thailand is also of a high standard. In many jurisdictions, this is not the case. In the absence of specific government and regulatory information and guidance on the prevalence of HT, financial institutions will find it harder to analyse the risk of laundering illegal funds from HT.

- Further down, the chain, individual money laundering reporting officers (MLROs) will find it difficult to analyse internal risk in the absence of clear guidance from regulators as to the source of funds from HT and the profile of criminal networks involved in HT. In practical terms, the focus at internal institutional compliance level is still predominantly in respect of drug trafficking and other crimes, or terrorist financing, reflecting a traditional focus in domestic legislation globally.
Recommendations

- FIUs should issue clear and specific guidance identifying HT as a standalone predicate offense for money laundering and mandate that financial institutions increase their HT-related SAR reporting.

- National authorities and civil society should raise awareness of HT as a “crime of many crimes” with connections to bribery, terrorism, drug trafficking, and other offenses to facilitate the development of AML typologies. This is particularly important in jurisdictions where HT is not a predicate offense.

- Financial regulators should issue model anti-HT guidelines for financial institutions that outline HT typologies and list HT “red flags” that can be included in internal trainings and AML reporting procedures.

- FIUs should implement a “Human Trafficking” tick box on all SAR templates or e-file forms to assist FIUs and law enforcement in identifying and collating SARs with information about potential HT offenses.

- FIUs should issue guidance on the requirements for describing suspicious activity related to HT in SAR narratives to assist FIUs and law enforcement in understanding and pursuing HT-related activity.

- FIUs should increase their reporting of metrics with respect to HT-related SARs and feature human trafficking as a topic in FIU quarterly and annual reports.

- National authorities should harmonize anti-HT legislation to prohibit sex trafficking and forced labor whether the victims are adults or children and male or female.

- In the absence of a HT tick box, financial institutions will continue to overlook HT as a source of illegal funds. In practice, the focus continues to be on other forms of crime, and on terrorist financing, due to the statutory and regulatory focus in most jurisdictions on these illegal activities rather than on HT. There is however a recognised link between HT arising from conflict and profit from HT being used to finance terrorist activities, which financial institutions may need to more closely evaluate for their own internal compliance purposes. Without more specific guidance from regulators, which feeds into better awareness of the risks at financial institutions, the reporting institutions may very well continue to overlook HT as a source of illegal funds in the financial system.
## Summary of Findings

<table>
<thead>
<tr>
<th>Country</th>
<th>FATF Member</th>
<th>SAR Format</th>
<th>Predicate offense</th>
<th>HT Tick Box</th>
<th>Guidance / Reporting</th>
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<td>Australia</td>
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Jurisdictions covered
### United States

<table>
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<tr>
<th>Regulator</th>
<th>Legal Basis</th>
<th>Requirement</th>
<th>SAR Form</th>
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<th>Predicate offenses</th>
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</thead>
</table>
| **Financial Crimes Enforcement Network (FinCEN)** | 31 CFR Chapter X (banks' reporting requirements are specified at § 1020.320) | A transaction requires reporting under the terms of this section if it is conducted or attempted by, at, or through the bank, it involves or aggregates at least $5,000 in funds or other assets, and the bank knows, suspects, or has reason to suspect that:  
(i) The transaction involves funds derived from illegal activities or is intended or conducted in order to hide or disguise funds or assets derived from illegal activities (including, without limitation, the ownership, nature, source, location, or control of such funds or assets) as part of a plan to violate or evade any Federal law or regulation or to avoid any transaction reporting requirement under Federal law or regulation;  
(ii) The transaction is designed to evade any requirements of this chapter or of any other regulations promulgated under the Bank Secrecy Act; or  
(iii) The transaction has no business or apparent lawful purpose or is not the sort in which the particular customer would normally be expected to engage, and the bank knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction. | SARs are filed electronically through FinCEN's BSA E-Filing System [http://bsaefiling.fincen.treas.gov/main.html](http://bsaefiling.fincen.treas.gov/main.html)  
http://sdtmut.fincen.treas.gov/news/FinCENSARElectronicFilingRequirements.pdf | No, but since 2014 banks have been encouraged to include the key terms "ADVISORY HUMAN SMUGGLING" and/or "ADVISORY HUMAN TRAFFICKING" in the Narrative and Suspicious Activity Information fields of SARs. There are 18 suspicious activities specified in the form in fields 417-435; human trafficking is not one of them. | U.S. federal law criminalizes both sex trafficking and labor trafficking pursuant to the Trafficking Victims Protection Act of 2000.  
Guidance/Circulars  
## Hong Kong

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong Monetary Authority / Joint Financial Intelligence Unit</td>
<td>Section 25(A) of the Organized and Serious Crimes Ordinance (Cap 455) (&quot;OSCO&quot;); Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Cap 615) (&quot;AMLO&quot;)</td>
<td>Under the OSCO, all persons are required to file a suspicious transaction report (STR) when he or she knows or suspects that property, wherever located: (a) is terrorist property; or (b) in whole or in part directly or indirectly represents any persons' proceeds of, was used in connection with, or is intended to be used in connection with an indictable offence under Hong Kong law (including drug trafficking). Reports are filed with the Hong Kong Joint Financial Intelligence Unit (JFIU). Under section 129 of the Crimes Ordinance, it is a crime to traffick in persons to or from Hong Kong for the purpose of prostitution.</td>
<td><a href="http://www.jfiu.gov.hk/info/doc/STR%20Proforma%20(rev%202014).doc">http://www.jfiu.gov.hk/info/doc/STR%20Proforma%20(rev%202014).doc</a></td>
<td>Yes (trafficking in human beings and migrant smuggling)</td>
<td>Although human trafficking is only narrowly defined in the law to cover prostitution, the JFIU pro forma STR includes human trafficking and migrant smuggling as reportable activities.</td>
</tr>
</tbody>
</table>

### Guidance/Circulars

None found

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**Suspicious Transaction Forms**

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Clifford Chance | Liberty Asia
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<tr>
<th>Regulator</th>
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<tr>
<td>Anti-Money Laundering Office (AMLO)</td>
<td>The Anti-Money Laundering Act, B.E. 2558 The Anti-Trafficking in Persons Act, B.E. 2551</td>
<td>The relevant sections of the Anti-Money Laundering Act state: Section 3 &quot;Predicate offense&quot; means any offence [ . . . ] (2) relating to human trafficking under the law on prevention and suppression of human trafficking or offense of sexuality under the Penal Code only in respect of procuring, seducing, taking away or accepting for an indecent act of man or woman for sexual gratification of others, or offence of taking away a child or a minor only in respect of profit seeking or for an indecent act or dishonestly buying, disposing of or accepting such a child or minor, or offence under the law on prevention and suppression of prostitution only in respect of procuring, seducing or taking away such persons for their prostitution, or offense relating to being an owner, keeper or manager of a prostitution business or establishment or being a controller of prostitutes in a prostitution establishment; [ . . . ] &quot;Suspicious transaction&quot; means a transaction with reasonable grounds to believe that it is conducted to avoid the application of this Act, or transaction connected or possibly connected with the commission of a predicate offense or terrorist financing offense, notwithstanding the transaction being single or multiple, and shall include an attempt to conduct such a transaction. Section 13 When a transaction is made with a financial institution, the financial institution shall have the duty to report that transaction to the Office when it appears that such transaction is: (1) a cash transaction exceeding the threshold prescribed in the Ministerial Regulation; (2) a transaction connected with the asset worth more than the value prescribed in the Ministerial Regulation; or (3) a suspicious transaction, whether it is the transaction under (1) or (2) or not Section 21 In making a transaction under Section 13, a financial institution shall record factual information relating to such transaction in forms, items, rules and procedures prescribed in Ministerial Regulation. Anti-Money Laundering Act (Consolidated 1-5) (2015) Anti-Money Laundering Act (No. 5) (2015) Anti-Trafficking in Persons Act (2008)</td>
<td><a href="http://www.amlo.go.th/amlo-intranet/files/AMLO103.pdf">http://www.amlo.go.th/amlo-intranet/files/AMLO103.pdf</a> file:///C:/Users/932704/Downloads/Annex_AMLO_41_8%20GUIDELINE%20on%20transaction%20reporting%20by%20Banks%20[translated] %20by%20AIB.pdf</td>
<td>No, the form does not include tick boxes for any predicate offenses. Part 5 of the form provides space for a free-form narrative for describing the cause of suspicion.</td>
<td>The Anti-Money Laundering Act was strengthened in conjunction with the release of the Anti-Trafficking in Persons Act in 2008.</td>
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</table>

Guidance/Circulars

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<tr>
<td>Australian Transaction Reports and Analysis Centre (AUSTRAC)</td>
<td>Proceeds of Crime Act 2002 Anti-Money Laundering and Counter-Terrorism Financing Act 2006 - Part 3 deals with reporting obligations Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1) - Chapter 18 of the AML/CTF Rules lists the details that must be reported in an SMR Financial Transaction Reports Act 1988</td>
<td>Section 41: Anti-Money Laundering and Counter-Terrorism Financing Act 2006 A reporting entity must submit an SMR to AUSTRAC if: • the reporting entity commences to provide, or proposes to provide, a designated service to a person, or • a person requests the reporting entity to provide a designated service (of a kind ordinarily provided by the reporting entity), or • a person enquires of the reporting entity whether it would be willing to provide a designated service (of a kind ordinarily provided by the reporting entity) and the reporting entity forms a suspicion on reasonable grounds that: • a person (or their agent) is not the person they claim to be, or • information the reporting entity has may be: o relevant to investigate or prosecute a person for an evasion (or attempted evasion) of a tax law, or an offence against a Commonwealth, state or territory law, or o of assistance in enforcing the Proceeds of Crime Act 2002 (or regulations under that Act), or a state or territory law that corresponds to that Act or its regulations • providing a designated service may be: o preparatory to committing an offence related to money laundering or terrorism financing, or o relevant to the investigation or prosecution of a person for an offence related to money laundering or terrorism financing.</td>
<td>Called a Suspicious Matter Report (SMR) Notifications are made electronically – a reporting entity is required to create a profile on the online portal (AUSTRAC Online) <a href="https://online.austrac.gov.au/login.seam">https://online.austrac.gov.au/login.seam</a> <a href="http://www.austrac.gov.au/sites/default/files/ao_uguide.pdf">http://www.austrac.gov.au/sites/default/files/ao_uguide.pdf</a></td>
<td>No. However, reporting entities are required to provide a description of on which ground they believe a suspicious activity has taken place (which would include a description of the crime believed to have been committed).</td>
<td>Human Trafficking and Slavery are offenses under Commonwealth law (Divisions 270 and 271 of the Criminal Code Act 1995).</td>
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**Guidance/Circulars**


<table>
<thead>
<tr>
<th>Regulator</th>
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</thead>
<tbody>
<tr>
<td>Monetary Authority of Singapore (MAS)</td>
<td>MAS NOTICE 626 (On Prevention of Money Laundering and Countering the Financing of Terrorism) – Paragraph 14</td>
<td>Section 39 CDTOSC Act: Where a person knows or has reasonable grounds to suspect that any property — (a) in whole or in part, directly or indirectly, represents the proceeds of; (b) was used in connection with; or (c) is intended to be used in connection with, any act which may constitute drug dealing or criminal conduct, as the case may be, and the information or matter on which the knowledge or suspicion is based came to his attention in the course of his trade, profession, business or employment, he shall disclose the knowledge or suspicion or the information or other matter on which that knowledge or suspicion is based to a Suspicious Transaction Reporting Officer as soon as is reasonably practicable after it comes to his attention.</td>
<td>Called Suspicious Transaction Reports (STRs). Can be lodged online through the Suspicious Transaction Report Online Lodging System (S.T.R.O.L.L.S) or by sending a report in the appropriate format to the Appendix III, IV and V of the Guidance to MAS Notice 626 are template reporting formats for reporting under both the Trafficking and Other Serious Crimes (Confiscation of Benefits) Act and the Terrorism (Suppression of Financing) Act. <a href="http://www.mas.gov.sg/~/media/MAS/Regulations%20and%20Financial%20Stability/Regulations%20and%20Licensing/Commercial%20Banks/Regulations%20and%20Guidelines/GUIDELINES%20TO%20MAS%20NOTICE%20ON%20PREVENTION%20OF%20MONEY%20LAUNDERING%20AND%20COUNTERING%20OF%20TERRORISM.pdf">http://www.mas.gov.sg/~/media/MAS/Regulations%20and%20Financial%20Stability/Regulations%20and%20Licensing/Commercial%20Banks/Regulations%20and%20Guidelines/GUIDELINES%20TO%20MAS%20NOTICE%20ON%20PREVENTION%20OF%20MONEY%20LAUNDERING%20AND%20COUNTERING%20OF%20TERRORISM.pdf</a></td>
<td>No. However, reporting entities are required to provide a description of on which ground they believe a suspicious activity has taken place (which would include a description of the crime believed to have been committed).</td>
<td>Singapore has a Prevention of Human Trafficking Act 2014 (Act 45 of 2014). Section 6 of that Act makes it an offense to knowingly receive any payment in connection with the actual or intended exploitation in Singapore of a trafficked victim shall be guilty of an offense.</td>
</tr>
<tr>
<td>Suspicious Transaction Reporting Office (STRO)</td>
<td>Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act – section 39</td>
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<td></td>
<td>Terrorism (Suppression of Financing) Act (TSOFA) – section 8</td>
<td>Section 8 TSOFA requires Singapore citizens and persons in Singapore to report any transactions or proposed transactions in respect of any property belonging to any terrorist or terrorist entity.</td>
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Guidance/Circulars

Appendix II of the Guidance to MAS notice 626 includes a list of transactions that are reportable – this does not include slavery / trafficking but list is stated to not be exhaustive.

Suspicous Transaction Forms

No. However, reporting entities are required to provide a description of on which ground they believe a suspicious activity has taken place (which would include a description of the crime believed to have been committed).
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<thead>
<tr>
<th>Regulator</th>
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</table>
• A person commits an offence if:  
1) he knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in money laundering; and  
2) he has knowledge or suspicion is based on or gives reasonable grounds for such knowledge or suspicion, came to him in the course of a business in the regulated sector; and  
3) he does not make the required disclosure as soon as is practicable.  
• The required disclosure is to be made to a nominated officer or a person authorised by the Director General of the National Criminal Intelligence Service – and is the National Crime Agency.  
• Under section 339 of POCA, the Secretary of State is entitled to prescribe the form and manner in which a disclosure must be made. http://www.legislation.gov.uk/ukpga/2002/29/part/7  
Reporting officers must refer to the published guidance from their own regulatory body and their own internal guidance.  
The Money Laundering Regulations 2007 set out the  
The crime of tipping-off is also set out in section 333A of POCA and section 21D of TACT. | Called Suspicious Activity Reports.  
The UKFIU provides guidance on submission of SARS to the NCA. SARS can be submitted in any format, including by post, fax or online.  
SAR online: https://www.ukciu.gov.uk/arg3qfbv114yn45emu0s0ic/saronline.aspx  
The online system allows a platform and format for submission of SARS pursuant to POCA and TACT  
Manual SAR Reporting:  
The NCA provides for manual submission of SARS. Forms for submission are provided, as well as guidance notes.  
The "Guidance on submitting better quality Suspicious Activity Reports (SARs)" provides that where modern slavery/human trafficking is suspected, include glossary code XXV2XX in any SAR relating to money laundering/human trafficking. Code XXOICXX should be used when the laundered money is suspected of arising from organized immigration crime. http://www.nationalcrimeagency.gov.uk/publications/732-guidance-on-submitting-better-quality-sars/file | No. However, Glossary Code XXV2XX can be set out in SAR when modern slavery/human trafficking is suspected. This code relates to vulnerable adults – code XXV3XX relates to vulnerable children. There is no prompting tick box relating to human trafficking or modern slavery, so attention to the source of funds relies on the suspicion of the reporting officer/party | The Modern Slavery Act 2015 has been passed in the UK, setting out crimes of modern slavery, servitude and human trafficking.  
Guidance/Circulars  
Declarations in SARs which wish to highlight concerns relating to human trafficking and modern slavery fall under the "vulnerable persons" rubric in the NCA and UKFIA guidance.  
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| Pusat Pelaporan dan Analisis Transaksi Keuangan (PPATK) (Indonesian Financial Transaction Reports and Analysis Centre) | Prevention and Eradication of Money Laundering Crime (Law Number 8 Year 2010 dated October 22, 2010 ("Law Number 8"). This replaces Law Number 15 Year 2002 on Money Laundering Crime as amended by Law Number 23 Year 2003 on the Amendment to law Number 15 Year 2002 on Money Laundering Crime ("Law Number 15") for money laundering crimes committed since the enactment of Law Number 8. The PPATK was established under Law Number 15 | The key articles to Law Number 8 are as follows:  
- (Article 3) persons who are found to be transferring, depositing, exchanging etc money resulting from crimes with a view to hiding or obscuring the origin of such moneys; or  
- (Article 4) persons who are found to be hiding or obscuring money resulting from crimes; or  
- (Article 5) persons who accept or who take control on placement, transfer, payment, grant, deposit, exchange, or utilizes assets which are known by him or which are reasonably alleged as the result of criminal action,  
shall be subject to a criminal penalty/fine.  
The offenses above also apply to any person outside Indonesia who takes part in, assists or implements a money laundering crime (Article 10).  
The provisions of Article 5 can be avoided through the obligation to report as set out in Law Number 8.  
Article 23 of the Law Number 8 sets out the requirement to provide a report to PPATK where suspicious financial transactions are taking place. Such reports should set out the source of funds.  
The Chairman of the PPATK will have the right to set regulations on the form, type and submission procedures of the report. | Called Financial Transaction Reports (FTRs). [http://www.ppatk.go.id/pelaporan/read/51/pelaporan-pbj.html](http://www.ppatk.go.id/pelaporan/read/51/pelaporan-pbj.html)  
FTRs can be provided manually or through registering as a registered institution with PPATK.  
PPATK has provided guidance (in Bahasa only) on how to submit FTRs | No. The form is not in tickbox format.  
Reporting officers are encouraged to specify where they suspect to be the source of funds. | According to Article 2 of Law Number 8, the underlying crimes in money laundering include, amongst others, corruption, bribery, manpower smuggling and human trafficking.  
Guidance/Circulars  
None found |
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<tr>
<td>Bank Negara Malaysia, Financial Intelligence and Enforcement Department</td>
<td>Part IV of the Anti-Money Laundering, and Anti-Terrorism Financing Act of 2001 (Act 613) (AMLATFA)</td>
<td>Part IV, Section 14 of the AMLATFA requires:  14. A reporting institution shall promptly report to the competent authority any transaction—  (a) exceeding such amount as the competent authority may specify; and  (b) where the identity of the persons involved, the transaction itself or any other circumstances concerning that transaction gives any officer or employee of the reporting institution reason to suspect that the transaction involves proceeds of an unlawful activity.</td>
<td>Appendix II of the AML Guidelines provides a SAR template. SARs may also be filed through an online form at: <a href="https://bnmapp.bnm.gov.my/fins2">https://bnmapp.bnm.gov.my/fins2</a></td>
<td>No, however, part C of the SAR template includes a field for &quot;Description of suspected criminal activity.&quot;</td>
<td>Trafficking of adults and children and smuggling of migrants are criminalized under the Anti-Trafficking in Persons and Anti-Smuggling of Migrants Act of 2007 (Act 670)</td>
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<td>Reporting requirements are elaborated in Section 29 of the &quot;Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) – Banking and Deposit-Taking Institutions (Sector 1)&quot; guidelines (the &quot;AML Guidelines&quot;). Section 29.1.1 specifies:  29.1.1 Reporting institutions are required to promptly submit a suspicious transaction report to the Financial Intelligence and Enforcement Department, Bank Negara Malaysia whenever the reporting institution suspects or have reasons to suspect that the transaction (including attempted or proposed), regardless of the amount:  (a) appears unusual;  (b) has no clear economic purpose;  (c) appears illegal;  (d) involves proceeds from an unlawful activity; or  (e) indicates that the customer is involved in ML/TF.</td>
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<td><a href="http://www.bnm.gov.my/guidelines/01_banking/03_anti_money/04_gla_amlia_amicft_deposit.pdf">http://www.bnm.gov.my/guidelines/01_banking/03_anti_money/04_gla_amlia_amicft_deposit.pdf</a></td>
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Guidance/Circulars

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</thead>
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<tr>
<td>National Bank of Cambodia</td>
<td>Law on Anti-Money Laundering and Combating the Financing of Terrorism of 2007 (LAMLCFT)</td>
<td>Article 12 (2) of the LAMLCFT requires:</td>
<td>The Cambodia Financial Intelligence Unit encourages regulated entities to submit SARs electronically XML format using specifications on its website.</td>
<td>No, however, electronic submissions may include a description of the suspicious activity in question.</td>
<td>The Law on Suppression of Human Trafficking and Sexual Exploitation of 2007 criminalizes the forced removal of adults and children for the purpose of exploitation (including sexual exploitation and forced labor) or trade in persons.</td>
<td>None found</td>
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<td><a href="https://www.bot.or.th/Thai/MonetaryPolicy/EconMakhongCanelArea/Cambodia/Doclib_Cambodia_Article/law_on">https://www.bot.or.th/Thai/MonetaryPolicy/EconMakhongCanelArea/Cambodia/Doclib_Cambodia_Article/law_on</a> _anti_money_50.pdf</td>
<td>“. . . if a reporting entity suspects or has reasonable grounds to suspect that funds are the proceeds of offense, or are related to the financing of terrorism, it shall promptly, within 24 hours, report its suspicions to the FIU. 3. Reports of suspicions shall be transmitted to the FIU by any expeditious means of communication, such as facsimile or, failing which, by any other written means. “</td>
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<td>Prakas (Regulation) on Anti-Money Laundering and Combating the Financing of Terrorism</td>
<td>Article 3(g) of the LAMLCFT defines a suspicious transaction as “a transaction that involves funds suspected to be the proceeds of offense, or funds related to the financing of terrorism.”</td>
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| State Bank of Vietnam, Banking Inspectorate and Supervision Department, Anti-Money Laundering Administration | Law on the Prevention of Money Laundering of 2012 (LPML)  
The Circular Guiding the Implementation of Some Provisions on Anti-Money Laundering (No 35, 2013) | Article 4(6) of the LPML defines **suspicious transactions** as "transactions with unusual signs or the reasonable grounds to suspect the property in the transaction has derived from criminal activity or is related to money laundering."

Article 14 of the Decree Detailing a Number of Articles of the Law on Prevention and Combat of Money Laundering (No. 116, 2013) further specifies:

The reasonable grounds to suspect the property in the transaction has derived from the criminal activity include:

- transactions requested by the accused, the defendant or persons being sentenced according to the criminal procedure code and the property in the transaction is the property originating from the property under the ownership or control of that individual or of individual, organization related to that individual, within or after the time committing the crime.

Circular No. 22 (2009) contained a SAR template (Form No. 4) which may be used for filing SARs.

No, however, Part IV(1) requests a description of the reasons for suspicion. | Circular No. 22 (2009) contained a SAR template (Form No. 4) which may be used for filing SARs.  

**Enumeration of Predicative Offenses**

- The Law on Human Trafficking Prevention and Combat of 2011 criminalizes several forms of trafficking including the transferring or receiving of persons for sexual exploitation, forced labor, and other cruel acts.

**Guidance/Circulars**

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| China Anti-Money Laundering Monitoring & Analysis Centre, Anti-Money Laundering Bureau (both authorities are within the People’s Bank of China) | Administrative Rules for the Reporting of Large Value and Suspicious Transactions by Financial Institutions (2007) (Rules) | Chapter 1 General Provisions of Anti-Money Laundering Law of the People’s Republic of China: Article 6 Institutions and their employees obligated to perform anti-money laundering responsibilities are required by law to report large-value or suspicious transactions pursuant to this law.

Article 14 of Rules: *Except for situations stipulated by the Article 11,12 and 13, financial institutions and their staff shall file suspicious transaction report to China Anti-money Laundering Monitoring and Analysis Centre in case that they discover abnormality of transaction amount, frequency, flow, nature, etc. and the transaction is considered to be suspicious after analysis.*

Articles 9 to 13 detail when institutions should report large-value transactions

- Financial Institutions (Article 9 of Rules)
- Commercial banks, urban credit cooperatives, rural credit cooperatives, post savings institutions, policy banks, trusts and investment companies (Article 11 of Rules) | There is a Schedule that state the information that employees must provide. However, there is no standard form that should be filled up. | No. No reference to human trafficking in the Schedule. | Trafficking of women and children is criminalised under the Criminal Law of the People’s Republic of China (Act 240-242) [http://www.asianlii.org/cn/legis/cen/laws/clotproc361/](http://www.asianlii.org/cn/legis/cen/laws/clotproc361/) | Guidance/Circulars

None found |
## New Zealand

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<tr>
<td>New Zealand Police Financial Intelligence Unit (FIU)</td>
<td>Proceeds of Crime Act 2002 Anti-Money Laundering and Counter Financing of Terrorism Act 2009 Anti-Money Laundering and Countering Financing of Terrorism (Requirements and Compliance) Regulations 2011 lists the details that must be reported in an STR</td>
<td>Section 40: Anti-Money Laundering and Counter Financing of Terrorism Act 2009 (AML/CFT) A reporting entity must report suspicious transactions if: • the reporting entity commences to provide, or proposes to provide, a designated service to a person, or • a person conducts or seeks to conduct a transaction through a reporting entity, and the reporting entity has reasonable grounds to suspect that the transaction or proposed transaction is or may be— • relevant to the investigation or prosecution of any person for a money laundering offense; or • relevant to the enforcement of the Misuse of Drugs Act 1975; or • relevant to the enforcement of the Terrorism Suppression Act 2002; or • relevant to the enforcement of the Proceeds of Crime Act 1991 or the Criminal Proceeds (Recovery) Act 2009; or • relevant to the investigation or prosecution of a serious offense within the meaning of section 243(1) of the Crimes Act 1961.</td>
<td>Called a Suspicious Transaction Report (STR) Notifications are made electronically – a reporting entity is required to register with the FIU before they can get access to the online portal (goAML) <a href="https://fiu.police.govt.nz/prd/WebRegistration/NewEntityCR">https://fiu.police.govt.nz/prd/WebRegistration/NewEntityCR</a></td>
<td>No. However, reporting entities are required to provide a description of on which ground they believe a suspicious activity has taken place (a description of the crime believed to have been committed could be included here).</td>
<td>Human trafficking and slavery are offenses under s98 to 98F of Crimes Act 1961.</td>
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Guidance/Circulars

None found

**Suspicious Transaction Forms**

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| Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) | Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) (reporting requirements are specified in section 7 with reference to section 462.31 of the Criminal Code) | Section 7 of the PCMLTFA requires reporting entities to:  
   . . . report to the Centre, in the prescribed form and manner, every financial transaction that occurs or that is attempted in the course of their activities and in respect of which there are reasonable grounds to suspect that  
   (a) the transaction is related to the commission or the attempted commission of a money laundering offence; or  
   (b) the transaction is related to the commission or the attempted commission of a terrorist activity financing offence. | Reporting entities with an internet connection must file SARs electronically through FINTRAC’s website.  
A copy of the SAR form is available at:  
http://www.fintrac-canafe.gc.ca/reporting-declaration/form/STR-2008-eng.pdf | No, but part G of the SAR form provides a field for a description of the suspicious activity. | Canada’s criminal code defines human trafficking to include both sexual exploitation and forced labor. |

Guidance/Circulars

On 15 December 2016, FINTRAC published guidance on indicators of “the laundering of illicit proceeds from human trafficking for sexual exploitation” to be used in identifying activity for potential SAR filings.

India

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<tr>
<td>FIU-IND</td>
<td>The Prevention of Money Laundering Act, 2002 (PMLA)</td>
<td>Under PMLA, every reporting entity is required to report suspicious transactions to FIU-IND, within 7 working days on being satisfied that the transaction is suspicious. Rule 2(1)(g) of the relevant Rules defines a suspicious transaction: “Suspicious transaction” means a transaction referred to in clause (h), including an attempted transaction, whether or not made in cash, which to a person acting in good faith – (a) gives rise to a reasonable ground of suspicion that it may involve proceeds of an offence specified in the Schedule to the Act, regardless of the value involved; or (b) appears to be made in circumstances of unusual or unjustified complexity; or (c) appears to have no economic rationale or bona fide purpose; or (d) gives rise to a reasonable ground of suspicion that it may involve financing of the activities relating to terrorism.</td>
<td>Known as Suspicious Transaction Reports (STRs). Two types of STR – “Account Based” and “Transaction Based”. The FIU-IND has set out detailed provisions for technical report standards, but requires the reporting officer to state the suspected source of funds or crime giving rise to the source of funds, including a typology. (<a href="http://www.fiuindia.gov.in/pdfs/downloads/Reporting%20Guide%20Version%202.2.pdf">http://www.fiuindia.gov.in/pdfs/downloads/Reporting%20Guide%20Version%202.2.pdf</a>)</td>
<td>No, not specifically set out.</td>
<td>Human trafficking for sexual purposes and forced labor are criminalized under Indian law through the Immoral Traffic (Prevention) Act, the Bonded Labor System (Abolition) Act, and the Penal Code.</td>
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**Guidance/Circulars**

None found

**Suspicious Transaction Forms**
Liechtenstein

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<tr>
<td>Financial Intelligence Unit of Liechtenstein</td>
<td>Law on Professional Due diligence to Combat Money Laundering, Organized Crime, and Terrorist Financing (Due Diligence Act) (2008) (the reporting requirement is specified in article 17) Ordinance on Professional Due Diligence to Combat Money Laundering, Organized Crime, and Terrorist Financing (Due Diligence Ordinance) (2009) (the reporting requirement is specified in article 26)</td>
<td>Article 17 of the Due Diligence Act requires reporting entities: “Where suspicion of money laundering, a predicate offence of money laundering, organized crime, or terrorist financing exists . . . [to] immediately report in writing to the Financial Intelligence Unit (FIU)”</td>
<td>A copy of the SAR form is available at: <a href="http://www.fiu.li/images/Verdachtsmitteilung_Hauptformular_Allg.docx">http://www.fiu.li/images/Verdachtsmitteilung_Hauptformular_Allg.docx</a></td>
<td>No, but part 2(c) of the SAR form provides a free text field for a description of the nature of the suspicious activity.</td>
<td>Section 104a of the Criminal Code defines “trafficking in persons” to include using unfair means against a minor or adult with the intention to “exploit the person sexually or by removal of organs or by exploiting the persons' labor.”</td>
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Guidance/Circulars

None found

<p>| Suspicious Transaction Forms | Clifford Chance | Liberty Asia | 24 |</p>
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<td>Financial Intelligence Unit – The Netherlands</td>
<td>Money Laundering and Terrorist Financing (Prevention) Act (Wwft) (the reporting requirements are specified in sections 15-18)</td>
<td>Section 16 of the Wwft requires a reporting entity to notify the FIU of any unusual transactions, whether conducted or proposed, promptly after becoming aware of the unusual transaction.</td>
<td>SARs are filed electronically through a web portal available only to registered users.</td>
<td>No, but the SAR portal provides a free text field for a transaction description.</td>
<td>The Criminal Code defines human trafficking in Part XVIII, Section 273f, to include exploitation for sexual exploitation, removal of organs, prostitution, forced or compulsory labor or services, slavery or practices similar to slavery or servitude. The Criminal Code also defines the crime of human smuggling with respect to provide assistance to the unlawful entry of a person into the Netherlands.</td>
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Money laundering is defined in part XXA, Section 420bis, of the Economic Offences Act as hiding or concealing “the real nature, the source, the location, the transfer or the moving of an object . . . The identity of the person entitled to an object or has it in his possession, while he knows [has reasonable cause to suspect] that the object derives – directly or indirectly – from any serious offence.” |

Guidance/Circulars

The Netherlands FIU features human trafficking statistics and cases prominently in its annual report.

Suspicious Transaction Forms
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<td>TRACFIN</td>
<td>Part VI, Article Article L. 561-1. of the Monetary and Financial Code (Legislative Section) (MFC)</td>
<td>Individuals and legal entities shall be required to declare to the Public Prosecutor any transactions they have knowledge of that involve sums which they know to be the proceeds of an offence referred to in Article L. 562-15 MFC. Section 4 of MFC sets out the obligation to make a report. Article L. 561-15, – I (MFC) — Legal entities shall be required to declare the sums entered in their books or the transactions relating to sums which they know, suspect or have good reasons for suspecting are the proceeds of an offence punishable by a custodial sentence of more than one year or are destined for terrorist financing.</td>
<td>Article R. 561-31 I of the Monetary and Financial Code stipulates the content of the report. This should include detail as to the background of the suspicious activity and the supposed underlying offence. Financial institutions must file written suspicious transaction reports using the report form that can be downloaded from the Tracfin website (access restricted – indicative form in the following link: <a href="http://www.economie.gouv.fr/files/mode_em">http://www.economie.gouv.fr/files/mode_em</a> ploi_%20declaration%20.pdf); <a href="https://tracfin.finances.gouv.fr/Pages/Subcri">https://tracfin.finances.gouv.fr/Pages/Subcri</a> ption/Mentions.aspx</td>
<td>None</td>
<td>Act No. 2003-239 of 18 March 2003 on interior security introduced a specific offense of trafficking in human beings into the Criminal Code in Articles 225-4-1 (and following).</td>
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**Guidance/Circulars**

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### Switzerland

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| Money Laundering Reporting Office Switzerland (MROS) | legislation (Article 9 Anti-Money Laundering Act AMLA) Article 305ter paragraph 2 Swiss Criminal Code SCC | The anti-money laundering system currently used in Switzerland draws a distinction between suspicious activity reports (SARs) on the basis of intensity of suspicion of money laundering. These suspicions fall into one of two categories:  
• cases where there are reasonable grounds for suspicion (governed Article 9 Anti-Money Laundering Act AMLA), or  
• cases where there is merely suspicion (governed by Article 305ter paragraph 2 Swiss Criminal Code SCC). | Form in respect of Art 9 AMLA:  
https://www.fedpol.admin.ch/dam/data/fedpol/kriminalitaet/geldwescherei/meldeformulare/9gwg/9_GwG_formular-e.pdf | No, but the Art 9 AMLA form provides a request for details of the suspicious activity | Switzerland prohibits both trafficking for sexual exploitation and trafficking for labour exploitation under the new Article 182 of the Swiss penal code.  

**Guidance/Circulars**

None found