



# TIP OF THE MONTH

## Suspicious Transaction Reporting (STR)- General Overview

### **Definition– FIAMLA\*, s. 2**

“suspicious transaction” means a transaction which—

(a) gives rise to a reasonable suspicion that it may involve –

(i) the laundering of money or the proceeds of any crime; or

(ii) funds linked or related to, or to be used for, the financing of terrorism or proliferation financing or, any other activities or transaction related to terrorism as specified in the Prevention of Terrorism Act or under any other enactment, whether or not the funds represent the proceeds of a crime

(b) is made in circumstances of unusual or unjustified complexity;

(c) appears to have no economic justification or lawful objective;

(d) is made by or on behalf of a person whose identity has not been established to the satisfaction of the person with whom the transaction is made; or

(e) gives rise to suspicion for any other reason.

### **Reporting – FIAMLA, s.14**

Notwithstanding section 300 of the Criminal Code and any other enactment, **every reporting person or auditor** shall, as soon as he becomes aware of a suspicious transaction, **make a report to FIU** of such transaction **not later than 5 working days** after the suspicion arose.

### **Registration with the FIU - FIAMLA, s.14**

Every reporting person must register with the FIU, within such time and in such form and manner as may be prescribed.

### **- Financial Intelligence and Anti-Money Laundering (Registration by Reporting Person) Regulations 2019**

Registration must be made electronically through the MLRO.

### **Who should file the STR? – FIAMLR\*, Reg 26**

The Money Laundering Reporting Officer is responsible to assess the reasonableness of internal suspicious transaction reports and file an STR accordingly.

### **Record Keeping- FIAMLA, s.17F**

A reporting person shall keep copies of all STRs made to FIU, including any accompanying documentation, for a period of at least **7 years** from the date the report was made.

### **Confidentiality & Tipping Off – FIAMLA, s.16 and FIAMLR, Reg 23(1)(e)**

A reporting person, auditor and any of their officers shall not disclose to any person that a STR is being or has been made or that related information is being or has been requested by, furnished or submitted to FIU.

### **Failure to comply- FIAMLA, s.14(3)**

If a reporting person or auditor fails to report a suspicious transaction, he shall commit an offence and, be liable to a fine not exceeding 1 million rupees and to imprisonment for a term not exceeding 5 years.

### **Essential links**

Go-AML Tutorials

[How to register an Organisation](#)

[How to register a Person](#)

STR tutorials

[How to file an STR part 1 - Report Cover](#)

[How to file an STR part 2 – Bi-Party Transaction](#)

[How to file an STR part 3 – Multi-Party Transaction](#)

\*FIAMLA – Financial Intelligence and Anti-Money Laundering Act 2002

\*FIAMLR – Financial Intelligence and Anti-Money Laundering Regulations 2018