

**Guideline on submitting Suspicious Transaction Reports (STRs)  
for all Reporting Entities under Anti-Money Laundering and  
Combating the Financing of Terrorism**

It is aimed at all Reporting Entities and is produced in line with the Cambodia Financial Intelligence Unit (CAFIU)'s commitment to share perspectives on the STRs.

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## **I-Background**

Cambodia Financial Intelligence Unit was established in 2008 as a central body responsible for receiving, analyzing, and disseminating reports on suspicious transaction and cash transaction and other information regarding money laundering and/or financing of terrorism.

Reference to article 22.1 of AML/CFT Law 2007 stated that FIU shall issue guidelines to Reporting Entities (REs) in relation to customer identification, record keeping, reporting of suspicious transactions and other obligations established pursuant to the present law.

## **II- Purpose**

This document aims to provide all REs with guidance on how to submit better quality STRs to the CAFIU. It should be read in conjunction with Law on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) 2007, Prakas on AML/CFT 2008, Prakas on AML/CFT for all reporting entities not regulated by the National Bank Of Cambodia 2010 and guideline for implementing CAFIU CTR/STR Electronic Reporting System.

If all of the following good guidance is followed, it will enable the CAFIU to gain a complete picture of:

- who is doing what
- who they are/were doing it with
- when they are/were doing it
- why they are/were doing it
- where they did it
- how they are doing it.

It will also allow for the prioritization of STRs analysis or investigations in a timely manner. When submitting a STR to CAFIU, REs must refer to the published reporting guideline from CAFIU and their own internal guideline.

Notes: all REs should submit a STR under the AML/CFT Law 2007 which set out a number of defined criteria including:

- the identity and identifying particulars of the REs, including name and contact details of the reporting officer<sup>1</sup>
- the identity and identifying particulars of the customer and of the beneficiary involved in the transaction
- the type and details such as amount, currency, date, parties involved of the transaction that is reported as suspicious, including the account number and particulars of the account holder
- a short description of the circumstances and reasons that justify the suspicion.

Ensure you submit the STR under law on AML/CFT 2007, depending on the nature of your knowledge, belief or suspicion.

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<sup>1</sup> Please refer to STR template

### **III- Suspicious Transaction Reports**

STR mean a transaction that involves fund suspected to be the proceeds of offense, or funds related to the financing of terrorism. The STR reporting is for the knowledge or suspicious of money laundering or belief or suspicions relating to financing of terrorism.

#### **1- Section 1: how to submit a STR**

##### **Electronic Reporting STR**

Electronic reporting STR is designed to allow STRs to be constructed and submitted in a secure manner. The guideline for implementing CAFIU CTR/STR Electronic Reporting System is available via a link in the CAFIU/NBC website at <https://www.nbc.org/kh/cafiu>.

##### **Advantages of electronic reporting system**

- Free and secure system.
- Reduce the need for paper-based reporting.
- Once a report is submitted, an acknowledgement with a unique reference is sent via email.
- Reports can be made 24/7, provided the RE has an email account and internet access.
- Pop-up tips are available on the STR template.

#### **2- Section 2: basic structure of a STR**

There are a number of fields to be completed. Please follow the below process:

- As much information as possible should be completed in the data fields.
- STRs should contain all available Customer Due Diligence (CDD) information.
- Dates of birth are a vital field for identifying individuals correctly.
- In addition to the 'reason for suspicion', fully populate all of the other information fields.

Completing fields of information in a STR not only assists in ensuring that any research or development of STRs is accurate from the offset, but also ensures that further subject matching is accurate.

Missing or inaccurate information:

- limits analysis opportunities
- has a negative impact on identifying the subjects correctly
- reduces the overall effectiveness of the STR.

##### **Be clear and concise**

The explicit rationale behind the reason for suspicion and the context of why the STR is being submitted should be clearly communicated.

- Structure your report in a logical format including all relevant information.
- Briefly summarize your suspicion.
- Provide a chronological sequence of events.

- Keep the content clear, concise and simple.
- Avoid acronyms and jargon – they may not be understood by the recipient and are open to misinterpretation.
- Do not write the STR in capital letters – this makes it very difficult to read.
- If including a large amount of information/text, break it up into more manageable – and readable – paragraphs.
- Very long STRs which are text heavy are difficult to digest.
- Separate bank account/transaction information and use the standard sort code account and format as 012345678910.

### **Details of suspicion**

The suspicion element is the rationale behind why a STR was submitted and therefore should be explicit.

In the ‘reason for suspicion’ field try to answer:

- Who is involved?
- How are they involved?
- What is the criminal/terrorist property?
- What is the value of the criminal/terrorist property (estimated as necessary)?
- Where is the criminal/terrorist property? (e.g. a company in Phnom Penh , a property in Siem Reap etc.)
- When did the circumstances arise?
- When are the circumstances planned to happen?
- How did the circumstances arise?
- Why you are suspicious or have knowledge.

Suspicion is a very important factor when seeking a request against money laundering offence or financing of terrorism; it is also important from an analytical point of view.

The bulk of analysis focuses upon the free text searching of keywords in this field. Whilst it is acknowledged that no fields are currently mandatory this field should be completed providing accurate details.

While CAFIU appreciates it is more time-consuming, it is important that details are completed within the appropriate electronic STR fields and not solely placed within the ‘reason for suspicion’ field. This is very important as it enables CAFIU systems to link the same entities submitted by a variety of REs, especially bank account details.

**Step 1** – initially provide a brief summary to highlight the key element of your suspicions, e.g.:

*I am submitting this STR as the client is purchasing a property and I have concerns relating to the origin of the funds coming from overseas relations. The circumstances of money laundering suspicions are that ...*

*The customer is linked to adverse media and is believed to be engaged in disguising, converting, concealing and transferring funds from the proceeds of crime and corruption. He is an international PEP.1 The circumstances of my money laundering suspicions are that ...*

**Step 2** – consider if there is any other useful information to add.

**Step 3** – the ‘reason for suspicion’ should conclude with the intended action e.g. exiting relationship, monitoring the customer, continuing the relationship etc.

### **Completing all STR information fields**

Alongside completing the ‘reason for suspicion’ you should complete as fully as possible all the information known from your due diligence into the other STR fields.

The amount of information you have may depend on your relationship with the reported subject.

If you do not know the information please populate the field with ‘N/A’.

### **Individuals**

Include the following identifying information:

1- Politically exposed person.

- Full name/s
- Date of birth
- Nationality
- Address

If you have the following information, include it in context with your suspicion:

- Identification document details (including relevant reference or document numbers) e.g. National Identification Number, passport, driving license, Insurance number ...etc.
- Car details (registration number)
- Telephone numbers (clearly marked home, business, mobile etc.)
- Full details of bank accounts or other financial details (including account numbers etc.) Use the standard format account format as 012345678910.
- Occupation.

Providing details of the main subject’s occupation assists with:

- judgments about the origin of funds
- whether the subject is using professional knowledge to facilitate money laundering, including identifying whether there are opportunities to engage with regulators and supervisors.

It is appreciated that you may not always have the full details concerning all of the entities involved, especially where you are reporting on subjects that are not your usual clients/customers/suppliers.

### **Businesses, trusts and other entities**

The amount of information you have may depend on your relationship to the reported subject. Where details are not known then the relevant field should include the phrase ‘N/A’.

Include all identifying information such as:

- full legal name
- designation e.g. Limited, PLC,...
- trading name

- registered number
- VAT and/or tax reference number
- country of incorporation
- details of beneficial ownership.

If relevant to your suspicion also provide details of:

- the individuals/entities that are the directors (or equivalent)
- the individuals who own/control/exercise control over the management of the entity.

### **Trusts**

Include all identifying information such as:

- full name of the trust
- address
- nature and type of the trust.

If relevant to your suspicion also provide details of all trustees, settlors, protectors and known beneficiaries.

### **Financial transactions**

When the suspicion being reported relates to a financial transaction:

- include the relevant details of the beneficiary/remitter of the funds
- include, if known, the destination/originating bank details e.g. correspondent bank details (this is very important as it could identify the offender)
- accurately record the date on which the transaction has occurred/will occur
- clarify the type of transaction e.g.:
  - online payment/receipt
  - debit or credit card
  - ATM withdrawal
  - cheque
  - electronic transfer (BACS/CHAPS)
  - cash
- explain why any transactions included are considered to be suspicious
- (if relevant to your business) include the subject's financial details (account numbers) and details of associates
- summarize cash amounts at the end of the report.

If you are suspicious because the activity deviates from the normal activity for that customer/business sector, briefly explain how the activity differs.

If the beneficiary/remitter of the transaction is believed to be complicit in the suspicious activity then consider providing their details as an associate subject.

If the activity does not involve a financial transaction please explain the suspicious activity that has occurred/will occur.

On electronic STR form there are fields for documenting specific financial transactions. It is important that you use these, formatted correctly.

### **Source type field**

Source type refers to the sector which the submitting reporter is from. This field helps analysts provide strategic and tactical assessments which are mutually beneficial to all stakeholders in the STRs reporting.

### **Attachments**

Documents can be attached within your STR.

### **Court orders and law enforcement enquiries**

In some instances, you may be served with/have notice of a court order (such as a production order) made in respect of a particular individual/entity. This may act as a mechanism for you to review the activity which you conduct/have conducted in relation to that individual/entity. If, following such a review, you feel there is an obligation to submit a STR, then the STR should reflect your suspicions in the context of your engagement with the subject.

### **3- Section 3: general guidance**

#### **Submission of STRs**

You are required under Law on AML/CFT 2007, to submit STRs to CAFIU. In order to meet your reporting obligations you should not submit STR to another law enforcement body.

Analyzed STRs are allocated by CAFIU to law enforcement based on different parameters. Therefore parallel sending of STRs to law enforcement can result in duplication of effort outside the control of the CAFIU and can, in some instances, potentially undermine confidentiality of the STR and compromise law enforcement activities.

#### **Remember**

- STRs should not be used as a communication channel e.g. as a means of obtaining advice. STRs are only for reporting suspicious activity to CAFIU. If you need general guidance about money laundering or the STRs regime in particular, contact CAFIU for further elaboration.
- CAFIU has no mandate to advise REs on the approach or actions they should take to mitigate particular risks or to advise that property is/isn't the proceeds of crime or terrorist financing.
- Where information is known, every effort should be made to complete all relevant fields accurately.
- Ensuring the information you submit is accurate will assist with law enforcement's actioning the STRs more efficiently – check spellings of names, make sure you have the correct account details etc.
- If you do not know details of a specific entity e.g. address, date of birth, etc. please enter the word 'N/A' rather than leaving the field blank or populating it with characters such as \* (asterisks), ? (question marks), . (dots) or other.
- Do not put reporting officers' details in a STR.

### **4- Section 4: contact details**

#### **Cambodia Financial Intelligence Unit**

For information or assistance with submitting STRs enquiries, CAFIU can be contacted as follows:

- #22-24 Norodom Blvd, Phnom Penh, Cambodia
- Tel: 855-23 427 933
- Email: [cafiu\\_info@nbc.org.kh](mailto:cafiu_info@nbc.org.kh)



## 5- Section 5: good practice tips

### Always

- identify as clearly as possible the suspected benefit from criminal conduct (the ‘criminal property’) including, where possible, the amount of benefit
- identify the reason(s) for suspecting that property is criminal property
- identify the proposed prohibited act/s you seek to undertake involving the criminal property
- identify the other party/parties involved in dealing with the criminal property, including their dates of birth and addresses where appropriate (such information should be held routinely by REs in the regulated sector to comply with the requirements of the Money Laundering Regulations)
- describe fully the reasons for suspicion in relation to money laundering. As a basic guide, wherever you can, try to answer the following six basic questions to make the STR as useful as possible: Who? What? Where? When? Why? How?

### If your STR relates to the purchase/sale of a property include:

- the full address of the property
- the value of the property
- the date of activity
- how the activity will take place or has taken place
- the full identity, where known, of the other party/parties involved in dealing with the property, including, in particular, if they are providing professional services e.g. solicitor, estate agent, accountant or company formation agent etc.

### If your STR relates to a vulnerable person:

- describe fully the vulnerabilities that you believe suggest the person cannot protect him/herself against exploitation e.g. do your concerns relate to what appears to be mental, physical or learning disability, or an illness related condition?
- describe if law enforcement or other agencies are aware of the circumstances (if so, include that organisation’s reference numbers, details of the officer contacted etc.)

### If your STR relates to a professional:

- describe the services being provided e.g. “the professional services being provided are...” (e.g. accountancy insolvency, audit, company formation, property conveyance, legal services etc.) include:
  - the date of activity
  - how the activity will take place or has taken place
  - full identity, where known, of the other party/parties involved in, including in particular, the type of professional services being provided e.g. solicitor, estate agent, accountant or company formation agent etc.
- describe if suspicion relating to the services being provided appear to be wittingly

or unwittingly facilitating the money laundering described

- describe the indicators suggesting complicit criminal behavior or negligent behavior of the professional(s) involved.

### **Feedback**

- Reference to article 21 (f) of AML/CFT Law 2007 stated that FIU shall provide feedback to Reporting Entities and other relevant agencies regarding the outcome of suspicious transaction (STR) or information provided to FIU in order to improve the quality of reporting.
- The feedback can be transmitted through telephone or in written form to the Reporting Entities (RE)'s compliance officer.

## **6- Section 6: examples**

The following are sanitised examples of STRs:

**Example 1** “It has come to our attention that payments totaling US\$56,000 credited to this account numbered XXXXXX, held at XXXX, were fraudulent. We have concerns that our account holder may have been complicit in the deception.”

**What makes the reporter suspect the transaction was fraudulent? How does the reporter know the account holder was complicit? Have they previously seen this type of pattern with this client? Is there other information which explains why they are complicit?**

**Example 2** “We are Mr Z’s accountants and noticed the issue on preparing the accounts.”

**What is the issue the accountants have become aware of and when did this occur? Have there been any discussions with the client over this issue? Have there been any past irregularities? Is there a business involved? Is there a suspicion that money laundering is occurring? Are there reasonable grounds for suspecting any links to terrorist financing?**

**Example 3** “Information has come to our attention that the main subject has been convicted of a drug trafficking offence.”

**How has this information come to the attention of the reporter? When did the information come to the attention of the reporter? What work does the reporter do for this client? Are there any further suspicions or irregularities aside from the conviction? What is the suspicion? Is the suspicion related to money laundering or is there any suspicion of links to terrorist financing?**

**Example 4** “I am suspicious because the police have informed one of our financial crime units that our customer is using a false identity. Therefore we are submitting a STR.”

**What is the reporter’s business relationship with the individual? Has the reporter reviewed the account? Does the reporter believe the customer used false information to set up this account?**

**Example 5** “Reason for reporting: statements show large payments to Y-type companies. High amount transactions continue over several months. Spends too high and frequent for personal used. Possible business use.”

**Why has the reporter submitted this report? Does the reporter suspect their**

**customer of money laundering or being involved in the financing of terrorism? It reads as if the customer is using a personal account for business use. This does not appear to fall under legislation and is maybe a contractual issue rather than an issue of criminality or money laundering.**

Some institutions submit a STR for the wrong purpose e.g. misuse of bank account i.e. a personal account used for business transactions. These types of STRs will result in no police action being taken.

**Example 6** “The reason for my suspicion is due to multiple third party transfers being paid into the account. Against these funds multiple cash withdrawals have been made. Funds are dispersed to multiple third parties. The source of funds being paid into the account is unknown and gives me cause for concern.”

**The reporter gives no justification as to what their concerns are. Has the customer been contacted? If so, what was their response? Over what period were the transfers made? What was the value of each transfer? How soon after the transfers were made were cash withdrawals made?**

**Example 7** “We are acting for the [main subject] in the re-mortgage of his property.”

**No details as to what has caused the reporter to be suspicious about this. Are the suspicions regarding the main subject? What is the amount of the criminal property value? What is the address of the property?**

**Example 8** “Documents disclosed with court proceedings.”

**No explanation or précis of the documents. What was contained within to arouse suspicion? What is the amount of the criminal property value?**

**Phnom Penh 30 April 2018  
Cambodia Financial Intelligence Unit  
Secretary General**

**Signature**

## Brief Quality of Good STRs

No.	Criteria	Description
1	<b>Main STR subject is adequately identified</b>	additional identification information provided anywhere in the report that, when combined, can uniquely identify him/her;
2	<b>Occupation/employer information is present</b>	information regarding the individuals' occupation or employer is present in the report;
3	<b>Accurate depiction of the transaction(s)</b>	is the transaction(s) depicted accurately in amount, type, etc;
4	<b>Time frame of financial activity is defined</b>	a time frame is identified and clearly defined surrounding the 'suspicious' transaction activity
5	<b>Presence of ML/TF indicators</b>	narrative of the report identifies indicators of money laundering and/or terrorist financing
6	<b>Potential predicate offence is identified, if known</b>	narrative of the report identifies any potential predicate offences of ML (i.e. fraud, drug trafficking, etc)
7	<b>Other relevant parties are adequately identified</b>	narrative of the report identifies relevant parties to the transactions to the best of the ability of the reporting entity
8	<b>Relationships (business or personal) are clearly defined</b>	narrative section of the report identifies relationships between individuals and/or entities and defines them to the best ability of the reporting entity; and
<p>The complete and consistent reporting of client details (name, address, identification documentation, date of birth, etc.) ensures that CAFIU has accurate information to search its data holdings and properly identify the conductors of various financial transactions. Using the information in an STR, CAFIU can also refer to open source information (e.g. media) to identify and confirm various links. A detailed description including, when possible, information regarding potential predicate offence of ML or TF and why the reporting entity identified the transaction as suspicious, is extremely valuable to assisting CAFIU intelligence analysts.</p>		