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**DIRECTIVE N° 001/FIU/2015 OF 30/12/2015 OF THE  
FINANCIAL INVESTIGATION UNIT RELATING TO  
IDENTIFICATION OF CUSTOMERS, SUSPICIOUS  
TRANSACTIONS REPORTING AND RECORD KEEPING  
REQUIREMENTS FOR REPORTING ENTITIES.**

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**Acronyms:**

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AML/CFT: Ant-money Laundering and Combating the Financing of terrorism

BCDD: Basic Customer Due Diligence

CDD: Customer Due Diligence

ECDD: enhanced Customer Due Diligence

FIU: Financial Investigation Unit

KYC: Know Your Customer

ML: Money Laundering

MOU: memorandum of Understanding

NGOs: non- Governmental Organizations

RDB: Rwanda Development Board

SCDD: Simplified Customer Due Diligence

STR: suspicious Transaction Report

UBO: Ultimate Beneficial Owner



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**DIRECTIVE N° 001/FIU/2015 OF 30/12/2015 OF THE FINANCIAL INVESTIGATION UNIT RELATING TO IDENTIFICATION OF CUSTOMERS, SUSPICIOUS TRANSACTIONS REPORTING AND RECORD KEEPING REQUIREMENTS FOR REPORTING ENTITIES.**

Pursuant to Organic Law N° 01/2012/OL of 02/05/2012 instituting the penal code, especially in Article 652, 653, 654, 655, 657 and 658;

Pursuant to Law N° 47/2008 of 09/09/2008 on prevention and penalizing the crime of Money Laundering and financing terrorism, especially in Articles 3, 6, 7, 9, 10, 11, 12, 13, 14, 15,16, 17, 18, 19, 21, 28 and 42;

Pursuant to the Presidential Order N° 27/01 of 30/05/2011 determining the organization, function and mission of the Financial Investigation Unit as amended to date, especially in Article 12;

Pursuant to the decision of the Advisory Board of the Financial Investigation Unit of 02/12/2015;

The Financial Investigation Unit hereafter referred to as the "FIU" directs:

**CHAPTER ONE: GENERAL PROVISIONS**

**Article One: Purpose of this Directive**

This Directive aims at establishing requirements for identification of customers, suspicious transaction reporting, record keeping as well as risk assessment that reporting entities shall comply with within the framework of preventing and combating the crime of money laundering and financing of terrorism.



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## **Article 2: Definitions**

- 1) "Customer":** Individual or legal entity that holds an account or has a business relationship with the reporting entity. In the case of a bank account customer means natural person or legal entity who:
  - a) Opens a bank account or in the name of whom a bank account is opened;
  - b) has the power to sign on that account;
  - c) deposits, transfers or receives money by using that account;
  - d) Is authorized to exercise transactions on that account.
  
- 2) "Political leader":** any person entrusted with prominent public functions in the Republic of Rwanda or in other countries including his/her family members or other persons who are his/her close associates or have business or financial relationship with him or her. In Rwandan context, a political leader should be considered as any person who declares his / her assets to the Office of Ombudsman.
  
- 3) "Reporting entity":** natural or legal person set forth in Article 3 of Law N° 47/2008 of 09/09/2008 on prevention and penalizing the crime of Money Laundering and Financing Terrorism.
  
- 4) Ultimate Beneficial Owner (UBO):** Any person owning more than 25% of the capital of a company. It also refers to natural person(s) who ultimately owns or controls a customer and/ or the person whose behalf a transaction is being conducted. It also incorporates those persons who exercise ultimate effective controls over a legal person.
  
- 5) Suspicious transaction or activity:** transactions where there are reasonable grounds to suspect that the transaction or activity is related to money laundering or terrorism financing offences.

**6) Non-face- face:** identification of an individual when he / she is not present. The individual's information has to be consistent and/or corresponds with that is recorded.

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**7) Occasional customer:** Occurring or appearing of a customer at irregular or infrequent basis, who appears now and then.

**8)** Other terms or expressions in this regulation have the same meaning as in Organic Law N° 01/2012/OL of 02/05/2012 instituting the penal code and Law N°47/2008 of 09/09/2008 on prevention and penalizing the crime of money laundering and Financing Terrorism.

## **CHAPTER II: REQUIREMENTS FOR CUSTOMER IDENTIFICATION**

### **SECTION ONE: KNOW YOUR CUSTOMER REQUIREMENTS (KYC)**

#### **Article 3: Category of customers**

Reporting entities shall classify their customers as follows:

- 1) Resident and non-resident;
- 2) Companies( sole proprietorship, partnership and corporate);
- 3) Cooperatives;
- 4) Non- Governmental Organisation( Local and Foreign);
- 5) Public institutions;
- 6) Public enterprises;
- 7) Clubs;
- 8) Others.





#### **Article 4: Customer identification requirements:**

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The reporting entities shall identify their customers in the following cases:

- 1) Prior to establishing business relationship;
- 2) When they execute occasional transactions exceeding the threshold set under article 9 of this Directive;
- 3) When they receive a wire transfer that does not contain full information about the originator;
- 4) When they have suspicion of money laundering or terrorism financing;
- 5) When they have doubts about the veracity or adequacy of previously obtained customer identification data.

#### **Article 5: The identity of natural person**

The identity of natural person shall be verified by the presentation of valid official identification documents with the bearer's photograph.

#### **Article 6: Identification of legal person**

Legal persons shall be identified with any valid document, in particular their registration certificate. Reporting entities shall take any reasonable measure to verify the identity of their clients.

#### **Article 7: Identification of third party**

Pursuant to Article 10 of Law N°47/2008 of 09/09/2008 on prevention and penalizing the crime of money laundering and financing terrorism, any person known to act on behalf of a customer shall present evidence of authority to act on his/her behalf, as well as his/her official identification document in conformity with the Article 5 of this Directive.

## **Article 8: Non-face-to-face customer identification**

The customer identification procedures for non-face-to-face verification should be at least as severe as those for face-to-face verification. Reasonable steps should also be taken to avoid fraud by single or multiple false applications. An example is confirmation of the address through an exchange of correspondence or by other appropriate methods.

## **Article 9: Identification of occasional customers**

Occasional customers shall be identified as described in Article 10 of Law N° 47/2008 on prevention and penalizing the crime of Money Laundering and Financing Terrorism for the case of transactions involving an amount **exceeding Ten Million (10,000,000)** Rwandan Francs or its equivalent in foreign currency.

This identification shall also be requested for any transaction amount of which is less than this threshold if it comprises a part of or the whole of transactions which are or seem to be linked and the total of which exceeds the threshold.

## **Article 10: Special monitoring of certain transactions**

Reporting entities are required to pay special attention to all complexes, unusual patterns of transactions, especially large transactions, which have no apparent economic or visible lawful purpose. They shall examine the background and purpose of such transaction, establish the findings in writing, and transmit the report to the Financial Investigation Unit.

## **Article 11: Declaration of cash transactions**

Reporting entities shall report to the Financial Investigation Unit using the format set out in Appendix (1) of this Directive, all cash transactions equal to or exceeding



**Fifty Million (50,000,000) Rwandan francs** or its equivalent in foreign currency, except where the sender and the recipient are banks or other financial institutions.

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Reporting entities shall indicate to the Financial Investigation Unit all transactions equivalent to the amount less than the threshold indicated in paragraph 1 of this Article, if they are part of a whole of transactions which are or seem to be linked and the total of which would exceed the threshold.

### **Article 12: Minimum requirements for account opening**

Reporting entities shall, where applicable, put in place requirements for opening account.

The list of minimum requirements for account opening is set out in Appendix (2) of this Directive.

## **SECTION 2: CUSTOMER DUE DILIGENCE REQUIREMENTS**

### **Article 13: Basic Customer Due Diligence (BCDD)**

Reporting entities shall apply basic CDD measures before a business relationship is entered into. The basic CDD measures entail:

- 1) Identifying the customer and verifying the customer's identity using reliable, independent source documents, data, or information;
- 2) Identifying the ultimate beneficial owner (UBO) and taking reasonable measures to verify the identity of the UBO such that the reporting entity is satisfied that it knows who the UBOs are;
- 3) Identifying any third parties on whose behalf the customer is acting;
- 4) Determining the purpose and intended nature of the business relationship;
- 5) Keeping the CDD information up-to-date and monitoring the business relationship and transactions undertaken throughout the course of the



relationship to assure that they are consistent with the institution's knowledge of the customer and the UBO.

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**Article 14: Enhanced Customer Due Diligence (ECDD)**

Reporting entities shall perform Enhanced Customer Due Diligence (ECDD) if and when a business relationship or a transaction by its nature entails a higher risk of Money Laundering or Financing of Terrorism. EDD shall be performed prior to the business relationship or the transaction as well as throughout the course of the business relationship. Enhanced Customer Due Diligence (EDD) measures shall be undertaken when:

- 1) establishing business relations;
- 2) carrying out occasional transactions by wire transfers;
- 3) there is a suspicion of money laundering or terrorist financing; or
- 4) The reporting entity has doubts about the veracity or adequacy of previously obtained customer identification data.
- 5) the customer is not a resident/not established in the country;
- 6) the customer is not physically present for identification;
- 7) the customer is a legal person, trust, or comparable entity intended as a private assets holding;
- 8) the customer is a body corporate or comparable entity with shares in bearer form or nominee shareholders;
- 9) the customer is a natural person, legal person, trust, or comparable entity that originates in a country or jurisdiction that does not apply or insufficiently applies the internationally accepted AML/CFT standards;
- 10) the customer is a political leader or politically exposed person; and
- 11) entering into correspondent banking relations



## **Article 15: Simplified Customer Due Diligence (SCDD)**

Reporting entities shall apply simplified CDD measures to customers identified as low risk customers. These customers consist primarily of financial and non-financial institutions that fall under the scope of the law on prevention and penalizing the crime of money laundering and combating terrorist where the following one or many of the following criteria is met:

- 1) A regulated institution supervised by the National Bank of Rwanda;
- 2) A foreign financial institution that is subject to international AML/CFT standards;
- 3) A public company that is subject to statutory disclosure requirements and whose shares are traded on an official stock exchange;
- 4) A public company wholly owned by the Government;
- 5) Public legal persons;
- 6) The Government of Rwanda.

## **Article 16: Due diligence related to a political leader**

A reporting entity, in addition to performing normal due diligence measures to a political leader shall:

- 1) have appropriate risk management systems to determine whether the customer is a political leader;
- 2) obtain senior management approval for establishing business relationships with such a customer;
- 3) take all reasonable measures to establish the political leader's source of wealth;
- 4) Conduct appropriate monitoring of the business relationship with such a client.



## **Article 17: Risk assessment**

Reporting entities shall take appropriate steps to identify and assess their money laundering and terrorist financing risks for customers, countries or geographic areas, products and services, transactions or delivery channels.

Reporting entities shall maintain documents related to assessments referred to under paragraph one of this article.

Reporting entities shall ensure these assessments are at all times updated, and have appropriate mechanisms to provide risk assessment information to competent authorities.

## **CHAPTER III: SUSPICIOUS TRANSACTIONS REPORTING REQUIREMENTS**

### **Article 18: Declaration of suspicious transactions**

Banks, other financial institutions and legal persons subject to the provisions of Article 3 of the Law N° 47/2008 on prevention and penalizing the crime of Money Laundering and Financing Terrorism shall, whenever they have reasonable motives to suspect that the funds or movement of funds are/is linked, associated or destined to be used in money laundering activities or for financing terrorism, terrorism or acts of terrorism or of terrorist organizations, report immediately their suspicion to the Financial Investigation Unit. These reports are confidential and cannot be communicated to the owner or the author of the transaction.

### **Article 19: Suspicious Transactions Report form**

Persons subject to the requirement to declare the suspicious transactions shall submit to the Financial Investigation Unit (FIU) the Suspicious Transactions Report (STR) in the format prescribed in Appendix (3) of this Directive.

The Suspicious Transactions Report (STR) shall be submitted to FIU in both hard and soft copies or in any other channel determined by the FIU



## **Article 20: Reporting Staff**

Reporting entities shall appoint staff in charge of handling Anti Money Laundering and Counter Financing Terrorism issues including reporting of suspicious transactions and other reports.

## **Article 21: Suspicious transactions indicators and examples**

Indicators and examples of suspicious transactions provided in Appendix (4) of this Directive shall serve as guidance in identifying suspicious transactions.

## **CHAPTER IV: RECORD KEEPING REQUIREMENTS**

### **Article 22: Records keeping management**

Reporting entities shall have in place an efficient record keeping framework that includes policies and procedures.

Records of a reporting entity shall be complete and reliable and be kept in a paper format or electronically.

### **Article 23: Importance of record keeping**

Records shall be kept to permit reconstruction of individual transactions background (including the amounts and types of currency involved, if any) so as to provide, if necessary, evidence for any analysis or investigation by competent authorities.

### **Article 24: Keeping records of information obtained through customer due diligence**

Reporting entities shall keep all records obtained through CDD measures notably:

- 1) copies or records of official identification documents such as passports, identity cards, driving licenses or similar documents, certificate of incorporation;
- 2) account files and business correspondence



- 3) results of any analysis undertaken for a complex, unusual and large transaction;
  - 4) Any other information that may help to trace the customer.
- 

### **Article 25: Period of record keeping**

Reporting entities shall keep records on the identification data obtained through or presented during the customer due diligence process within a period of at least ten (10) years after the end of the business relationship.

In the case of an occasional customer, the ten (10) year period specified in paragraph one of this Article shall start from the conclusion of the transaction.

Reporting entities shall maintain, for a period of at least ten (10) years counted from the conclusion of the transaction, all necessary records on transactions at the national or international level.

Persons required to exercise due diligence shall maintain account books and business correspondence for a period of at least ten (10) years after the end of the business relationship.

## **CHAPTER V: MISCELLANEOUS AND FINAL PROVISIONS**

### **Article 26: Threshold for casinos and dealers in precious metals and precious stones**

Casinos and dealers in precious metals and precious stones shall identify and verify the identity of customers. Casinos shall report to the Financial Investigation Unit using the cash transaction Report format (Appendix 1) when their customers are engaged in cash transaction equal to or above three million Rwanda Francs (3,000,000) or its equivalent in foreign currency. Dealers in precious metals and precious stones shall report to the Financial Investigation Unit using the cash transaction Report Format (Appendix 1)





when their customers are engaged in cash transactions equal to or above fifteen million Rwanda Francs (15,000,000) or its equivalent in foreign currency.

**Article 27: Obligations for reporting entities**

Reporting entities shall develop policies and procedures and put in place mechanism for efficient implementation of this Directive and the Law on prevention and penalizing the crime of money laundering and financing terrorism.

**Article 28: Obligations for disciplinary or supervisory authorities of reporting entities**

The disciplinary or supervisory authorities of reporting entities shall at all-time ensure that reporting entities under their supervision are compliant with the provisions of this Directive and Law on prevention and penalizing the crime of money laundering and financing terrorism and impose to them disciplinary or administrative sanction for non-compliance as provided for in article 54 of the Law on prevention and penalizing the crime of money laundering and financing terrorism.

For this purpose of meeting the requirements established under paragraph one of this Article, supervisory and disciplinary authorities may issue appropriate guidance to reporting entities under their supervision.

**Article 29: Commencement**

This Directive shall come into force on the day of its signature

Done at Kigali, on 30/12/2015

  
**John RWANGOMBWA**

**Governor and Chairperson of the FIU Advisory Board**



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# APPENDIXES



**APPENDIX 1: CASH TRANSACTION REPORT**

Name of the reporting entity.....

Address & contact of Head Office.....

a) Physical.....

b) Postal.....

c) Telephone.....

d) E-mail.....

e) Fax.....

Item	Date of transaction	Full Name of Person conducting transaction	Customer or Account Name	Passport/ID/ Certificate Of Incorporation & Nationality	Description of the transaction	Currency	Amount

Information about the Reporting Officer

Name.....

 Signature..... Date.....

**APPENDIX 2: MINIMUM ACCOUNT OPENING REQUIREMENTS**

<b>TYPE OF ACCOUNT</b>	<b>MINIMUM REQUIREMENTS</b>	
<p><b>1. Personal</b></p>	<p><u>RESIDENT</u></p> <ol style="list-style-type: none"> <li>1. Original and copy of ID/Passport/ National Driving license.</li> <li>2. Quality Colored Passport size photo</li> <li>3. Fill account opening application form</li> <li>4. Tin number or certificate of incorporation(if applicable)</li> <li>5. Not blacklisted</li> <li>6. Electricity or Water Bill(where applicable)</li> <li>7. Acceptance of terms and conditions</li> </ol>	<p><u>NON- RESIDENT</u></p> <ol style="list-style-type: none"> <li>1. Original and copy of the passport/laissez – passer/ID where applicable</li> <li>2. Quality Colored Passport size photo;</li> <li>3. Fill account opening application form</li> <li>4. Letter from employer confirming employment, contract, address and employment visa (if applicable)</li> <li>5. Copy of Tin number or certificate of incorporation (if applicable);</li> <li>6. Not blacklisted;</li> <li>7. Acceptance of terms and conditions.</li> </ol>
<p><b>2. Sole Proprietorship</b></p>	<ol style="list-style-type: none"> <li>1. Original and copy of business License, Certificate of incorporation or Business Permit;</li> <li>2. Tax identification number;</li> <li>3. Full identification of signatories as individual (see n°1 above)</li> <li>4. Reference letter (e if applicable)</li> <li>5. Electricity or Water Bill(where applicable)</li> <li>6. Acceptance of terms and conditions</li> </ol>	

<p><b>3. Partnership</b></p>	<ol style="list-style-type: none"> <li>1. Certificate of incorporation;</li> <li>2. Partnership deed stamped by RDB;</li> <li>3. Board resolution clearly indicating the signatories to the account;</li> <li>4. Fill account opening application form</li> <li>5. Full identification of signatories as individuals (see n°1 above)</li> </ol>
<p><b>4. Corporate</b></p>	<ol style="list-style-type: none"> <li>1. Memorandum or articles of association;</li> <li>2. Certificate of Incorporation;</li> <li>3. Board resolution to open an account;</li> <li>4. Fill account opening application form;</li> <li>5. Full identification of signatories as individual (see n°1 above)</li> <li>6. Reference letter (if applicable);</li> <li>7. Electricity or Water Bill(where applicable)</li> <li>8. Acceptance of terms and conditions.</li> </ol>
<p><b>5. Regulated Credit and financial institutions</b></p>	<ol style="list-style-type: none"> <li>1. Operating license;</li> <li>2. Certificate of incorporation;</li> <li>3. Articles of Association;</li> <li>4. Board Resolution to open an account;</li> <li>5. Fill account opening application form;</li> <li>6. Full identification of signatories as individual (see n°1 above);</li> <li>7. Full identification of two principle directors as individual (see n°1 above);</li> <li>8. Electricity or Water Bill(where applicable);</li> </ol>

	<p>9. Acceptance of terms and conditions;</p> <p>10. Electricity or Water Bill (where applicable)</p>
<b>6. NGOs</b>	<ol style="list-style-type: none"> <li>1. Certificate of registration ;</li> <li>2. Board resolution to open an account;</li> <li>3. NGO Charter for foreign NGOs;</li> <li>4. Full identification of signatories as individual (see n°1 above)</li> <li>5. Full identification of two principle directors as individual (see n°1 above);</li> <li>6. Electricity or Water Bill (where applicable)</li> <li>7. Acceptance of terms and conditions.</li> </ol>
<b>7. Government organs</b>	<ol style="list-style-type: none"> <li>1. Council resolution by the governing body;</li> <li>2. Ministerial order for public institutions (if applicable);</li> <li>3. Appointment letter for signatories in case it's not mentioned in the letter of appointment by the governing body or council;</li> <li>4. Full identification of signatories as individual (see n°1 above);</li> <li>5. Electricity or Water Bill (where applicable)</li> </ol>
<b>8. Cooperatives , union and federation</b>	<ol style="list-style-type: none"> <li>1. Articles of association;</li> <li>2. Board resolution to open an account;</li> <li>3. Registration from Rwanda Cooperative Agency;</li> </ol>

	<p>4. Temporary authorization from District-only when registration certificate is not yet out;</p> <p>5. Full identification of signatories as individual (see n°1 above);</p> <p>6. Electricity or Water Bill(where applicable)</p> <p>7. Acceptance of terms and conditions.</p>
<p><b>9. Friendly groups /Clubs /Mutual fund / Chorus groups/</b></p>	<p>1. MOU creating the club;</p> <p>2. Appointment letter of the governing body to open an account;</p> <p>3. A reference letter( if applicable)</p> <p>4. Full identification of signatories as individual (see n° 1 above);</p> <p>5. Acceptance of terms and conditions.</p>

**APPENDIX 3: SUSPICIOUS TRANSACTION REPORTING FORMAT**

Submit to: **Director, Financial Investigation Unit**

(Always complete the entire report, attach additional pages if necessary to explain the situation full)

<p>1. Tick appropriate box</p> <p>a) Initial Report <input type="checkbox"/>      b) Amended Report <input type="checkbox"/>      c)Supplemental Report <input type="checkbox"/></p>
<p><b>Part I. Information on the Reporting Entity submitting the report:</b></p> <p>2. Name of reporting entity.....</p> <p>3. Address&amp; contact of Head Office.....</p>



a) Physical.....

b) Postal.....

c) Tel.....

d) Email.....

e) Fax.....

4. Address & Contact of branch(es) where activity/transaction occurred

a) Physical.....

b) Postal.....

c) Tel.....

d) Email.....

e) Fax.....

**Part II: Information about Persons(s) or Entity engaging in Suspicious Transactions/Activities**

5. a) Surname (or name of Entity).....

b) First Name.....

c) Middle name.....

6. Postal & physical address in country of residence.....

7. Date of Birth/Incorporation (DD/MM/YY).....

8. Passport/ID No.....





9. Occupational or Business.....

10. Identity verified by (where applicable).....

a) Passport..... b) ID card..... c) Other.....

d) Incorporation No..... e) Date & Place issued.....

11. Relationship to the reporting entity ( e.g Accountant, Agent, Broker, Client/Customer, Depositor, Director, Employee, Service Provider, Officer, Shareholder etc.  
 .....  
 Other( Specify).....

12. (i) Is the person(s) still affiliated with the reporting entity?      No (if no specify)

Resigned       Suspended       Terminated

(ii) Date of resignation, suspension, termination (DD/MM/YY)...../...../.....

**Part III Information about Suspicious Activity**

13. Date of transaction or suspicious activity (DD/MM/YY):

14. Transaction type.....

15. a) Account name, where applicable.....  
 b) Account number affected, where applicable.....

16. Amount involved ( in RWF or in other currency).....

17. Source of funds.....

18. Information on the destination of the funds.....

19. Description of the transaction/activity.....

20. Basis of suspicion.....

21. Has the suspicious activity had a material impact on or otherwise adversely affected the financial soundness of the reporting institution?  
 Yes  No

If yes, describe impact.....

22. Has any law enforcement authority been notified in any manner? If so, indicate the following:  
 a) Authority.....  
 b) How notified.....

23. Has any other action been taken by the reporting entity.....?

**Part IV Detail or list of Available documents:**

**Part V Information about the Money Laundering Reporting Officer**

24. Name.....

25. Position/title in the reporting institution.....

26. Signature..... Date.....



**Part VII: For internal use only( by the Financial Investigation Unit)**

Report Number.....

Report Date.....

Action taken.....

**APPENDIX 4: INDICATORS AND EXAMPLES OF SUSPICIOUS TRANSACTIONS**

The following acts are the examples of indicators to identify Suspicious Transaction more of the aforementioned elements; the relevant reporting entities can use the indicators of Suspicious Transactions indicators, which include, among other things:

**A. Transactions**

**1) Cash**

- i. Cash transactions conducted in an unusual amount from that of usually conducted by the relevant customer.
- ii. Transactions conducted in a relatively small amount but with high frequency (structuring).
- iii. Transactions conducted by using several different individual names for the interest of a particular person (smurfing).
- iv. The foreign currency exchange or purchase in a relatively large amount.
- v. The purchase of travelers checks in cash in a relatively large amount.



- vi. The purchase of several insurance products in cash in a short period time or at the same time with premium payment entirely in a large amount and followed by policy disbursement prior to due date.
- vii. The purchase of securities by cash, transfer, or checks under other person's name.

## **2) Economically irrational transactions**

- i. Transactions having no conformity with the initial purpose of account opening.
- ii. Transactions having no relationship with the business of the relevant customer.
- iii. Transaction amount and frequency are different from that of normally conducted by the customer.

## **3) Fund transfers**

- i. Fund transfers to and from high-risk countries or offshore financial centres without any clear business purposes.
- ii. Receipts of fund transfers in several phases and once accumulated the funds are subsequently transferred entirely to other account.
- iii. Receipts and transfers of funds at the same or approximately the same amount and conducted in a relatively short period.
- iv. Fund payments for export import activities without complete documents.
- v. Fund transfers from or to other high-risk countries.
- vi. Fund transfers from or to other high-risk parties.
- vii. Receipts/payments of funds made by using more than one (1) account, either in the same name or a different one.
- viii. Fund transfers using the account of a reporting entity employee in an unusual amount.



## **B. Behaviors of the Customer**

- 1) Unreasonable behavior of the relevant customer when conducting a transaction (nervous, rushed, unconfident, etc.).
- 2) Customer/prospective customer gives false information with respect to his/her identity, sources of income or businesses.
- 3) Customer/prospective customer uses identification document that is unreliable or alleged as fake such as different signature or photo.
- 4) Customer/prospective customer is unwilling or refusing to provide information/documents requested by the officials of the relevant reporting entity without any clear reasons.
- 5) Customer or his/her legal representative tries to persuade the officials of the relevant reporting entity in one way or another not to report his/her transaction as a Suspicious Transaction.
- 6) Customer is unwilling to provide right information or immediately terminating business relationship or closing his/her account at the time the officials of the relevant reporting entity request information with respect to his/her transaction.

## **Additional Indicators to Financial institutions**

The following indicators are for your consideration if you are an institution that opens accounts and holds deposits on behalf of individuals or entities.

### **A: Personal transactions**

Client appears to have accounts with several financial institutions in one geographical area;

1. Client has no employment history but makes frequent large transactions or maintains a large account balance;



2. The flow of income through the account does not match what was expected based on stated occupation of the account holder or intended use of the account;
3. Client makes one or more cash deposits to general account of foreign correspondent bank (i.e., pass-through account);
4. Client makes frequent or large payments to online payment services;
5. Client runs large positive credit card balances;
6. Client uses cash advances from a credit card account to purchase money orders or to wire/electronically transfer funds to foreign destinations;
7. Client takes cash advance to deposit into savings or cheque account;
8. Large cash payments for outstanding credit card balances;
9. Client makes credit card overpayment and then requests a cash advance;
10. Client visits the safety deposit box area immediately before making cash deposits;
11. Client wishes to have credit and debit cards sent to international or domestic destinations other than his or her address;
12. Client has numerous accounts and deposits cash into each of them with the total credits being a large amount;
13. Client deposits large endorsed cheques in the name of a third-party.

#### **B: Corporate and business transactions**

On opening accounts with the various businesses, a financial institution would likely be aware of those that are mainly cash based. Unusual or unexplained increases in cash deposits made by those entities may be indicative of suspicious activity.

Below are some of the examples:

1. Accounts are used to receive or disburse large sums but show virtually no normal business-related activities, such as the payment of salaries, invoices, etc;
2. accounts have a large volume of deposits in bank drafts, cashier's cheques;
3. money orders or electronic funds transfers, which is inconsistent with the client's business;
4. accounts have deposits in combinations of monetary instruments that are atypical of legitimate business activity (for example, deposits that include a mix of business, payroll, and social security cheques);
5. accounts have deposits in combinations of cash and monetary instruments not normally associated with business activity;
6. business does not want to provide complete information regarding its activities;
7. Financial statements of the business differ noticeably from those of similar businesses;
8. representatives of the business avoid contact with the branch as much as possible, even when it would be more convenient for them;
9. deposits to or withdrawals from a corporate account are primarily in cash rather than in the form of debit and credit normally associated with commercial operations;
10. client maintains a number of trustee or client accounts that are not consistent with that type of business or not in keeping with normal industry practices;
11. client operates a retail business providing cheque-cashing services but does not make large withdrawals of cash against cheques deposited;



12. client pays in cash or deposits cash to cover bank drafts, money transfers or other negotiable and marketable money instruments;
13. client purchases cashier's cheques and money orders with large amounts of cash;
14. client deposits large amounts of currency wrapped in currency straps;
15. client makes a large volume of seemingly unrelated deposits to several accounts and frequently transfers a major portion of the balances to a single account at the same bank or elsewhere;
16. Client makes a large volume of cash deposits from a business that is not normally cash-intensive.

#### **SPECIFIC INDICATORS OF SUSPICIOUS TRANSACTIONS IN CASINOS**

The following indicators of a suspicious transaction are for your consideration if you are an institution working as the Casino:

1. If the customer does not give required particulars or gives false particulars or is not willing to give the particulars at the time of depositing amount, giving coupon or withdrawal of amount through money or check during settlement,
2. If no source of the money is mentioned or becomes unable to provide satisfactory source.
3. If the customer games/gambles excessively an amount above the threshold indicated in the Article 27 of this directive.
4. If any customer requests the Casino to pay the huge amounts he wins to another person.
5. If individual or organization involved in terrorist activities or criminal activities or any other person who is or is likely to be directly or indirectly associated with criminal activities comes to the Casino as a customer.





6. If the transaction appears in any manner suspicious or the gaming/gambling is carried out or appears to be carried out with the purpose of money laundering or encouraging terrorist or criminal activities.
7. If the amount that seems to be earned by doing illegal acts.
8. If any customer tries to influence any Casino officials through economic or any other bribery so as not to report the particulars of threshold transaction to the Financial Investigation Unit or if any customer does any illegal act.
9. Any other suspicious transaction.

