

Examples of Suspicious Indicators or Red Flags for Legal Practitioners

Management of Client Money, Securities and Other Assets Transactions



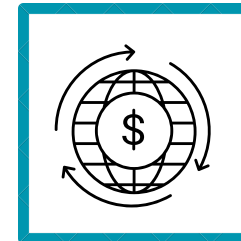
A client requests that a lawyer holds in trust money on his/her behalf for no reasonable explanation such as for the provision of certain legal services or to conduct a particular transaction on behalf of the client.



A client puts money in a lawyer's trust account and uses this account to conduct transactions which could have been easily conducted through a bank or other type of account.



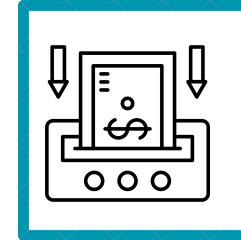
A client seeks a lawyer's services to act on behalf of a third person whom the lawyer does not get to meet, contact or obtain instructions from



Multiple unexplained funds transfers to overseas beneficiaries



Client provides conflicting information or instructions to different members of the law firm



Unexplained deposits made by overseas-based entities into a lawyer's trust account.



Client engages a lawyer to purchase a property or make other investments and deposits funds for this purpose into the lawyers trust account. The client decides not to proceed with the proposed purchase or investment for no reasonable explanation and requests the lawyer to transfer the funds to an unrelated third party without providing reasonable explanation for the transfer.

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Purchase of Real Estate Property Transactions



Funding for purchase of property received from third parties



Requests to act for multiple parties without meeting them.



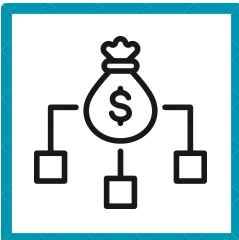
Complex transactions in which multiple properties are bought, re-sold or exchanged



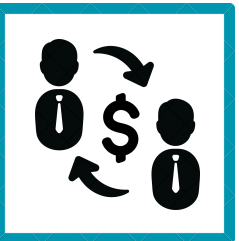
Property is transferred to another individual soon after its acquisition.



Client buys multiple properties in a short period of time.



Funds received from or sent to a foreign country when there is no apparent connection between the country and the client.



Unusual payment arrangement included in the terms of contract for sale or purchase of real estate.

Note: The STR indicators are not limited to the examples listed.

Examples of Suspicious Indicators or Red Flags for Legal Practitioners

Creation of Companies Transactions



Complex company structures to disguise the identities of the ultimate natural persons that own or control the company.



Reluctance to disclose information, data and documents that are necessary to enable the execution of the transaction.



Involvement of high-risk countries



Attempts to disguise the real owner or parties to the transaction.

Note: The STR indicators are not limited to the examples listed.

How to use this information?

- Share this information to improve staff awareness on examples of suspicious indicators/red flags for Legal Practitioners.
- Monitor for and identify suspicious transactions or clients.
- Use your internal reporting systems and procedures to identify and report on any suspicious transactions.

How to contact us?

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Source:

FIU Enforceable Guideline 1 - Suspicious Transaction Reporting (Annexures)