



**OFFICE FOR
PREVENTION AND FIGHT AGAINST
MONEY LAUNDERING**



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ORDER

8th June 2018

no. 15

***On the approval of the Guidelines for
the identification and reporting of
money-laundering suspicious activities
or transactions***

According to the provisions of Government Decision no. 496 of 25.05.2018 “On the approval of the Methodology for the identification of money-laundering and terrorist financing suspicious activities and transactions”, art.11 par. (9), art. 22 par. (1), let. k), art. 22 par. (2), art. 37 par. (10), par. (12) of Law No. 308 of 22.12.2017 “on the prevention and fight against money laundering”,

I HEREBY ORDER:

1. The approval of the “Guidelines for the identification and reporting of money-laundering suspicious activities or transactions” according to the annex.
2. In case of the occurrence of new tendencies/typologies, the Surveillance and Compliance Service within the Office for Prevention and Fight against Money Laundering shall submit proposals to establish other criteria to identify suspicious activities or transactions.
3. The interaction with reporting entities, their supervisory and regulatory bodies, as well as the control over the enforcement of this order will be incumbent upon the Surveillance and Compliance Service.
4. These Guidelines will enter into force on 23rd August 2018.

Director

Vasile ŞARCO

Chapter I

Criteria used in the identification of suspicious activities and transactions connected to money laundering in the financial-banking and non-banking crediting sectors.

a) General criteria for the identification of suspicious activities and transactions connected to money-laundering:

1) The client refuses to provide the information requested by the reporting entity, including the information which is not provided by the legal documents, but required according to banking, non-banking customs and practices;

2) The client provides contact data: addresses, phone numbers, e-mails which cannot be used for the client identification;

3) The client is excessively interested in the internal control and policy system, as well as excessively interested in the confidentiality of the operations carried out;

4) The client submits information that raises suspicions with the reporting entity in terms of its truthfulness and/or accuracy, or the client offers money, gifts or other undue benefits for information or services that are of an unusual or suspicious nature or for the purpose of avoiding the information/reporting on the business relegation/transaction;

5) The client submits confusing details related to the transactions the client is to execute, is nervous upon the execution of the transaction, or while being interrogated in relation to its activity, and attempts to develop close relations with the employees of the reporting entity;

6) The client is accompanied or surveyed by a third person or acts through a third person, but fails to provide information in relation thereof or refuses to submit data related to such person;

7) The client ignores the more favourable service granting conditions (increment of the commission, instalment on deposits at sight and term deposits, etc.);

8) The client carries out operations with no economic explanation, or transactions that are not in compliance with the client's daily activities or introduces in the prior operation scheme essential alterations, with no intermediates upon the commencement of such activity, especially in the operations consisting in the movement of money or of other assets;

9) The client carries out multiple transactions under the reporting limit, by bank transfer or in cash;

10) The client carried out transactions with clients from jurisdictions with greater risks;

11) Impossibility to identify the client's partners, the names of the payers for the operations to enlist cash in current accounts;

12) Difficulties occurring during the process of verifying the information provided by the client according to the legal requirements in force, the client's submission of information that cannot be verified or whose verification is challenging;

13) Unjustified client's expedition in carrying out the operations;

14) Payments made using cheques issued by third parties or cheques bearing multiple signatures or when such operations are not in compliance with the client's activity profile;

15) The use of loan agreements between legal and natural persons, where one and the same person signs *de facto* under various positions (director and natural person) or the loan agreements are used to reflect the origin of the money sources or when such agreements are repeatedly enforced by the client;

16) The client's partner is registered in a different jurisdiction than the jurisdiction of the financial institution where such partner holds bank accounts;

17) Performance of bank operation with no economic nature, involving politically exposed persons or transactions whose contents do not reflect the need of performing such operations;

18) The natural or legal person makes payments in favour of a politically exposed person or of the family members for various types of services, if such transactions are not relevant to the specific activity of such natural or legal persons;

19) In relation to a company registered in jurisdictions with high risks, based on the submitted documents or on other sources, the bank understands that the actual beneficiary is a politically exposed person or a persona associated thereto.

b) Criteria for the identification of activities and transactions suspected of money laundering for cash operations:

1) Cash withdrawals and deposits of unusually large amounts¹ from/into the account of the natural or legal person, which do not comply with the activity profile;

2) The client performs frequent cash withdraws of amounts close to the reporting limit;

3) Cash deposits immediately followed by transfers to foreign countries, in case such operations do not comply with the client's activity;

4) Frequent cash deposits to a client's account by third parties with no obvious relation to the account holder;

5) Irregular or occasional use of the account by the client to collect money benefits with the subsequent withdrawal thereof in cash amounts exceeding the reporting limits, followed by the closing of the account or by the stop of any operations thereby;

6) The exchange of large amounts from one currency to another, with no obvious economic purpose, especially when the client does it frequently;

7) The frequent change of a large number of small-value banknotes into banknotes of greater value;

¹ **Unusually large amounts, large amounts** – the amount is established based on the client's profile, business relations, monitoring of activities and transactions thereof and is established by each reporting entity, independently.

8) Cash deposit into several accounts so that each amount is small (negligible), however the total thereof is great;

9) Clients who constantly make deposits in cash to cover bills of exchange;

10) The client frequently collects amounts through money transfer systems from various authorising agents or from the same agent or orders frequent payments to the advantage of one or several beneficiaries, followed by the release of cash;

11) Combining transfers/collections with amounts withdrawn/deposited on the same day, when the client's status does not justify such activity;

12) International money transfers from/into high risk jurisdictions by a local or foreign natural person, followed by their withdrawal in cash;

c) Criteria for the identification of money-laundering suspicious activities and transactions for operations involving transfers:

1) Frequent and substantial² money transfers which cannot be clearly identified or economically justified;

2) Substantial increment, with no obvious reason, of a client's turnover, reflected by the volume of transfers into its accounts;

3) The client's opening of several accounts with the subsidiaries of the same bank or in different banks and repeated transfers between such accounts, with no economic purpose;

4) The replenishment of the account by cheques issued by third parties signed in favour of the client;

5) Payments or collections with no obvious relation to any legal commercial contract;

6) The use of an account only as temporary funds deposit, which will ultimately be transferred to accounts abroad;

d) Criteria for the identification of money-laundering suspicious activities and transactions for the operations using payment cards and electronic transfers:

1) Regular withdrawal of cash by the card holder from the cash desks or ATMs of the reporting entity of amounts under the reporting limit. An exception therefrom is the withdrawal of cash from an employer's account resulting from the employer's payment of any material remunerations;

2) Regular issue of money by resident natural persons through payment cards issued by foreign financial institutions;

3) Processing of payments through bank cards issued by foreign financial institutions;

4) Frequent transfers from a legal person's account into a natural person's card account with no reference to nature of the transfers;

² **Frequent, substantial, regular transfers** – is established based on the assessment of the client's profile, business relations, activity and transaction monitoring and is established by each reporting entity, independently.

5) A client's activity reveals a sudden increase of internal or international electronic transfers, by the transmittal or receipt of money, and such transfers do not comply with the client's activity object;

6) An account receiving several transfers of small amounts by electronic transfer or deposits created using cheques or payment orders followed by an almost immediate electronic transfer of almost the entire balance to another bank from the country or from other jurisdiction, when such activity does not comply with the activity performed by the client;

7) The bank service beneficiary receives or makes electronic transfers involving amounts in other currencies immediately under a certain reporting limit;

8) The frequent transfer or receipt of large volumes of electronic transfers to and from high risk jurisdictions;

9) A client deposits funds in several accounts, usually in amounts under a certain reporting limit, and the funds are thereafter consolidated into a collector fund and electronically transferred abroad;

10) Order instructing the bank to transfer funds abroad and wait for an equivalent receipt of an electronic transfer from other sources;

11) Receipt of electronic transfers and immediate purchase of monetary instruments for the payment of a third party.

e) Criteria for the identification of money-laundering suspicious activities and transactions for credit operations:

1) The client requests a credit, although, according to the analysis of the economic-financial documents, such credit is not required;

2) The client, after having received a credit, transfers it to a non-resident company, from which it subsequently receives an external financial loan;

3) The client transfers the amounts of the received credit to a non-resident company as advance payment for goods, services, etc., and subsequently receives a smaller amount than the credit value into another account belonging to it as return of the advance;

4) The transfer of the credit obtained in MDL to other local companies, which subsequently withdraw it in cash, when such activity does not comply with the activity thereof and the reporting entity is aware of the indicated money circuit;

5) To reimburse the credit, the client uses money from unidentified or unknown sources;

6) The request for credits/loans supported by a security consisting in a deposit certificate issued by a foreign bank or an investment company;

7) Requests for credits/loans made by clients through professional intermediaries (lawyers, financial consultants, broker companies);

8) Unexpected return of a credit/loan, especially when dealing with a large amount;

9) Return of credits/loans by third parties who are not the client's shareholders;

10) The client requests a credit/loan using as security the assets held by another natural or legal person, and the origin of such assets is unknown;

11) The use of credit lines and of other financing methods for subsequent external transfers when the transaction does not justify the usual activity of the client;

f) Criteria for the identification of money-laundering suspicious activities and transactions for external operations:

1) External transfers representing the payment of imported goods to other companies or persons and not to the goods' supplier;

2) The client received external payments, using the local banking system, without developing activities on the country's territory, with further transfers to non-resident companies with foreign accounts;

3) Transiting funds through the financial institution, the transactions being based on decisions of the courts of law or on the decision of the court bailiffs, whose amount is shortly after transferred either in whole or in part to another client from a foreign jurisdiction;

4) Payment by a resident to a non-resident of a penalty (fine) for the failure to execute a good delivery contract (execution of works, provision of services) or for the failure to comply with the contractual conditions, if the penalty exceeds 10% of the value of the undelivered goods (non-executed works, non-provided services);

5) The contract provides the resident's export of goods (works, services, intellectual activities) or the import payments of the goods (works, services, intellectual activities) for the benefit of non-residents, registered in high-risk jurisdictions;

6) External transfers justified by the purchase of shares in companies registered in high-risk jurisdictions;

7) Periodic transfers into/from client's accounts from/to high-risk jurisdictions;

Chapter II

Signs of money-laundering suspicious activities and in the currency exchange sector.

1) Repeated currency exchange requests envisaging amounts close to the reporting limit, within a short time period, as well as exchanging money in various subdivisions;

2) Exchange of large currency amounts into the national currency or into another currency and vice-versa;

3) Exchange of an unusual large amount of small-value banknotes into banknotes of greater values and vice-versa;

4) The client requests a currency exchange transaction that exceeds the displayed rate;

5) The client makes currency exchanges and requests banknotes with the highest nominal possible in a foreign currency;

Chapter III

Signs of money-laundering suspicious activities and transactions in capital market sector

- 1) Trading securities with the transfer of the collected amounts to a financial institution, other than the one stipulated by the contract;
- 2) Trading securities non-distributed to a large public rate, repeated at short time intervals, especially if the partners are located in high-risk jurisdictions;
- 3) Involvement in the purchase and sale of securities of the same value (“laundering by trading”) creating the illusion of trade;
- 4) Transactions between unidentified parties:
 - a) a client (natural person) who identifies him/herself with difficulty and who is reluctant to provide information related to his/her transactions;
 - b) a client (legal person) who fails to provide or provides with delay the documents required to identify the company, the bank accounts, etc.;
 - c) the client is unusually concerned with the compliance with the obligations to report to the reporting entity and with the adopted money laundering fighting policy and organises its transactions so as to avoid the reporting limit;
 - d) the client is willing to pay greater commissions in exchange of maintaining the “secrecy” over certain information;
 - e) while opening an account, the client intentionally manifests a lack of interest in the relevant risks, commissions and other costs;
 - f) the transfer of funds directly to the account of the investment company for the purpose of purchasing securities from high-risk jurisdictions;
 - g) the client (or a person publicly associated with the client) has a questionable history or is presented as being involved in potential breaches of the criminal law provisions;
 - h) the client seems to act as a representative of an account party whose identity is unknown and declines or is reluctant, with no reasonable grounds, to provide information or is evasive in relation to that person or entity;
 - i) procurement of securities by the client through a non-resident representative from high-risk jurisdictions;
- 5) Purchase and sale of securities with no obvious purpose, in circumstances that seem to be unusual and not related to the investment or to the diversification of the risk degree;
- 6) Upon an indirect transaction, with the involvement of the investment company, where the reporting entity is uncertain or not aware of the funds involved between the seller and the buyer in a security transaction;
- 7) The use of cash for the purchase/sale of securities instead of cash returns (bank transfer), especially when dealing with significant amounts;

8) Procurement of securities through several clients, where the reporting entity realises that they act in concert.

Chapter IV

Signs of money-laundering suspicious activities and transactions in the insurance sector

- 1) Operations carried out in/from the Transnistrian region where the transaction value exceeds 50,000 MDL;
- 2) Transactions where the payment/client's beneficiary is registered in high-risk jurisdictions;
- 3) Operations with insurance/reinsurance brokers whose founders, as well as the actual beneficiaries are either directly or indirectly located in high-risk jurisdictions;
- 4) The insured or the insurance broker, as well as the founders or the actual beneficiaries thereof are an institution located/registered in high-risk jurisdictions;
- 5) Receipt of insurance indemnities based on facultative insurance contracts to the employees of the insurance company or of the insurance brokers;
- 6) Receipt of insurance premiums/payment of insurance claims further to the execution of financial risk insurance contracts which include: insurance of credits, insurance of bonds, financial losses where the insured amount exceeds 500 thousand MDL;
- 7) Any transaction involving the assignment of receivables, the processing of debts or financial securities, others than the ones related to the insurance activity;
- 8) Upon the execution of the insurance contract, the client accepts, in an obvious manner, non-favourable conditions for itself;
- 9) Any transaction involving a party that cannot be identified;
- 10) Change of the previously communicated beneficiary, including the substitution during the performance of the life insurance contract of the beneficial owner by a person apparently non-related to the policy holder;
- 11) Any payment of insurance claims to the insureds, beneficiaries or other persons appointed by them, who are legally located outside the Republic of Moldova and who cannot be identified at the relevant addresses;
- 12) Execution of insurance contracts where the insurance premiums and the insured amount exceed, in an obvious manner, the insured' financial possibilities and needs;
- 13) The client is not aware of the exact insurance object (available to insure any risks);
- 14) The client insists on requesting a shorter insurance period for the fixed amounts than the one proposed by the insurance company or broker ;
- 15) The client manifests an exaggerated concern in relation to the company's internal policy on the prevention and fight against money laundering and terrorist financing;

- 16) Transactions whereby a company procures more life insurance policies than the actual number of employees or for persons who are not the company's employees;
- 17) Procurement of a life insurance policy for employees whose beneficiary is the employer;
- 18) The employer's contracting of life, accident, health insurance policies for employees whose beneficiaries are third parties;
- 19) The insurer becomes the beneficiary of the life insurance policy further to granting the loan to the insured;
- 20) Payment of the insurance claim into a bank account opened in another jurisdiction;
- 21) The insurance premium is paid by an unidentified third party or the source or origin of the money issued for payment is unknown;
- 22) The client requests to pay the insurance indemnification from several sources;
- 23) One or several over-payments to the insurance premium with the request of a transfer to some third parties;
- 24) The request to be indemnified only in cash for an amount exceeding 10 thousand MDL;
- 25) Request for the payment to persons who are or were subject to investigations or criminal prosecution by the legal authorities;
- 26) Transactions made with the intention to provide incomplete or inaccurate essential information;

Chapter V

Signs of money-laundering suspicious activities and transactions in the leasing sector

- 1) Reasonable doubts in relation to the authenticity of the documents submitted for the confirmation of the lessee's financial condition;
- 2) The lessee's acceptance of contractual conditions that apparently exceed the financial possibilities thereof and the capacity thereof to pay the leasing instalment;
- 3) Transfers ordered by the client and paid to the client itself from various countries;
- 4) Significant transactions that seem unusual compared to the prior transactions of the client or in relation to which there seems to be no obvious economic or financial reason (e.g.: transactions of large amounts on behalf of the company made by the directors or by persons related thereto, which attract resources not related to the company's activity, especially if such transactions are in cash);
- 5) Transactions arranged in an illogical manner, especially if disadvantageous to the client from the economic or financial point of view;

6) Transactions made by third parties on behalf of or in favour of the client with no plausible reason;

7) Transactions made based on inaccurate or incomplete details, suggesting the intention to hide information related to the parties involved in the process;

8) Purchase of assets of great value, subsequently sold, after a short period, for a smaller price;

Chapter VI

Signs of money-laundering suspicious activities and transactions in the casino and game sector

1) The clients of the game casino are foreign persons;

2) Clients purchase chips or tokens using bank cards and the earnings or the amounts are released in cash;

3) A client requests a casino employee to monitor his/her bets and inform him/her when the level thereof approaches the reporting limit. Once informed of the above, the client ends the game in the relevant location, moves to another table and makes additional cash transactions;

4) The use of other persons for the transactions in cash in casinos;

5) A client winning a large amount delegates another client to collect a part of the chips to avoid being the subject of the obligation to report;

6) Clients providing false information/identification data;

7) Clients trying to bribe, influence or conspire with a casino employee to avoid the reporting obligation (e.g. by requesting the structure of the recovered payments or by registering the transactions in cash on the name of other natural persons);

8) A client purchases chips in cash, bets with minimum chances of losing (e.g. bets on red as well as on black at roulette) and makes similar transactions, and later goes to the cash desk and changes the chips into cash;

Chapter VII

Signs of money-laundering suspicious activities and transactions in liberal professions

a) Audit entities and legal persons and individual companies providing accounting services;

1) The client unreasonably refuses to provide the information required to identify the beneficial owner, including for the identification of client's representative. The client-related information is missing;

2) The presence of unofficial, counterfeited documents, and of non-standard instructions while making payments, which fail to comply with the official practice;

3) Identification of false accounting registrations, identification of operations that are not supported as well as the liquidation of accounting documents before the legal time;

4) Offering by the client of an exaggeratedly large remuneration for the received services, compared to the payment practice specific to this type of provided services;

5) The Client's operations have no obvious economic sense, do not comply with the client's activity and are against the company's articles of incorporation and activity type;

6) Introduction of changes upon the performance of the transactions, changes that do not comply with the client's object of activity;

7) The client carries out only transactions transiting the financial-banking system, without performing any activity on the country's territory;

8) The client is not fully aware of the origin of the funds the client is going to operate;

9) The client requests transactions under the reporting limit;

10) The client avoids using the bank accounts and makes regular money deposits and withdrawals within the reporting limit value;

11) The client withdraws cash for various purposes: granting loans, return of loans, travel expenses, advance payments, that are contrary to client's activity;

12) The client requests advice for the creation of schemes for the legalisation of the income obtained from illegal activities;

13) The client opens accounts abroad, without declaring them to the fiscal authorities;

14) Identification of accounting registrations intended to hide the income sources, nature or origin, e.g. using super-valuating methods, by sub-valuating assets, or by not registering income sources;

15) The client keeps records of non-existing or already returned debts, but which are continuously reflected as part of the financial statements;

16) The client has no employees, which is unusual for the type of activity;

17) The client pays to high-risk jurisdictions unusual taxes for consultancy services;

18) The client's accounting records reflect sales at a price lower than the actual cost, thus the company registers loss, however, the company continues its activity without reasonable explanations to support the loss;

19) The company makes large payments to its affiliates, and such payments do not reflect the usual company's activity;

20) The company receives invoices from organisations registered in high-risk jurisdictions;

21) The company purchases assets for personal or consumer use in large volumes (luxury cars, personal houses, boats, etc) when this type of transactions is incompatible with the usual practice of the client or with the performed activity;

22) Frequent or inexplicable replacement of professional advisers or of the management members of the corporate client;

23) The number of the employees in the organisation chart is not compatible with the business size or nature (e.g., the company's turnover is too high compared to the number of employees and used assets);

24) The company receives large international payments, with no commercial explanation;

b) Notaries, lawyers and real estate agents

1) Frequent purchases and assignments of companies, enterprises or firms, which are not justified by the nature of the performed activity or by the economic interests of the parties involved;

2) Repeated legal acts of the same type, unjustified by the activity, giving the impression of being performed for hidden purposes;

3) Repeated transfer of the ownership right over the same assets over a short time period;

4) Use of repeated legal acts with small amounts of money, to avoid, seemingly, the identification and reporting obligations (e.g. frequent transactions of money under the limit provided by the reporting obligation, especially in cash or through various subunits of the same reporting organisation, where such transactions are not justified by the applicant's activity);

5) Legal acts arranged in an illogical manner, especially if disadvantageous for the client, from the economic or financial point of view;

6) Legal acts frequently executed by the applicant on behalf or in favour of third parties, whenever such business relations seem unjustified;

7) Legal act executed by third parties on behalf or in favour of the applicant, with no plausible reason;

8) Submission of inaccurate or incomplete data, which seem to hide essential information, especially in relation to the parties to relevant legal deed;

9) Activities related to advising and intermediation of asset transfers and sale, raising suspicions in terms of transparency, legality and opportunity;

10) Accounting operations intended to conceal or hide the incomes' sources, nature and origin, e.g., by asset super-valuation or under-valuation methods;

11) Requests for notarial advice related to the financial and fiscal activity. The persons who intend to invest money can present themselves as natural persons who intend to reduce their fiscal obligations or to place the assets under their property in order to avoid any future fiscal obligations;

12) Requests of clients or of the representatives thereof to make money transactions by the excessive use of cash or of payment instruments incompatible with the common practice and with the nature of the operation;

13) Representatives who oppose to the disclosure of the persons on behalf of whom they act, who renounce to complete the transaction when requested to submit confirmation documents related to their clients, the nature of the transaction or who indicate as end buyer a subject different than the one initially communicated;

14) Purchase of assets of great value, subsequently sold, within a short time period, for a smaller price;

15) Transactions made by (or for the interest of) natural or legal persons seated in high-risk jurisdictions.

Chapter VIII

Signs of money-laundering suspicious activities and transactions in the sector of non-banking payment service providers, issuers of electronic currency and post service providers

1) Transfer of funds to the client or to the same natural persons to/from various countries, within a short time period;

2) Repeated transactions of the same type, not justified by the nature of the client's activity and which seem to have hidden purposes;

3) Repeated transactions of small/identical amounts, which seem to have the purpose of avoiding the identification and reporting obligations;

4) The supply of exact amounts or of amounts at the accepted limit of the same electronic account/wallet from various electronic, digital or informational communication devices, including cash payment terminals within a short time period;

5) Transactions with inexact or incomplete details, suggesting the intention to hide essential information, especially in relation to the parties involved in the transaction;

6) Transactions with the involvement of high-risk jurisdictions, transactions that are not justified by the client's economic activity or by other circumstances;

7) Representatives who oppose to the disclosure of the names of the persons on behalf of whom they act, who renounce to complete the transaction when required to submit confirmation documents related to their clients or who indicate as ultimate buyer a subject different from the one previously communicated;

8) Transactions made by (or to the interest of) natural or legal persons residing in high-risk jurisdictions;

9) The value of the shipped asset is obviously exaggerated or smaller than the indicated amount, in case of using the service of mandate against return;

10) Transfer of amounts from the same payment agent, amounts withdrawn on the same day in cash;

11) Small deposits in cash into the account of a client, followed by immediate transfers into a payment account;

12) The supply of the account using a payment card issued in another jurisdiction;

13) Transactions with the involvement of high-risk jurisdictions, transactions which are not justified by the client's economic activity, economic profile or by other circumstances such as social status, volume/amounts of the transactions performed earlier;

14) Clients request detailed consultations or address persistent questions related to the possibility to avoid the compliance with certain norms/rules of use of PSP/EME.

Chapter IX

Signs of money-laundering suspicious activities and transactions for the postal service providers

- 1) The client unreasonably refuses to provide the information requested by the reporting entity;
- 2) The client provides contact data: addresses, phone numbers, e-mails other than its own;
- 3) Sending or receiving post items to/from high-risk jurisdictions;
- 4) Receipt of several post items subject to import payments, without being able to cover such expenses;
- 5) Receipt and payment of import duties to postal consignments by another person than the one indicated by the statement;
- 6) Dispatch of postal consignments with contents forbidden by the country of destination.

Chapter X

Signs of money-laundering suspicious activities and transactions for natural and legal persons who perform activities in the field of precious metals, precious metal items and/or precious stones;

- 1) Repeated requests for the procurement/delivery of precious metals, precious metal items and/or precious stones at prices close to the reporting limit, within a short time period;
- 2) The client unreasonably refuses to provide the information requested by the reporting entity;
- 3) The client provides contact data: addresses, phone numbers, e-mails other than its own;
- 4) Difficulties in contacting the client shortly after the initiation of the business relation, at the provided address and phone numbers or the client identified with the name or with the signature is different from one transaction to the other or the client identifies with new or newly issued identity documents;
- 5) The client manifests excessive interest in the internal control and policy system, as well as the client's excessive concern with the confidentiality of the operations performed;
- 6) The client provides false information or information considered by the entity to be erroneous, or the client offers money, gifts or other undue benefits for information or services that are of unusual or suspicious nature;
- 7) The client provides confusing details related to the transactions to be performed, manifests nervousness upon the performance of the transactions, or upon being questioned on his/her/its activity, while attempting to establish close relations with the responsible persons;

- 8) The client is accompanied or surveyed by a third party or acts through a third party, but fails to communicate the presence thereof;
- 9) Procurement/delivery of precious metals, precious metal items and/or precious stones by persons either too young or too old and by socially vulnerable persons;
- 10) Procurement/delivery of precious metals, precious metal items and/or precious stones by non-residents in large amounts or by repeated transactions;
- 11) Procurement/delivery of precious metals, precious metal items and/or precious stones by persons from high-risk jurisdictions;
- 12) Procurement/delivery of precious metals, precious metal items and/or precious stones in amounts greater than 100 000 MDL, paid by cards belonging to non-resident financial institutions;
- 13) The client purchases valuable assets without considering the value, size and colour of the precious stones;
- 14) Purchases or sales by a client or supplier, but which are unusual or unordinary;
- 15) A client orders a valuable asset, pays for it in cash, annuls the order and receives the return;
- 16) A client who negotiates the possibility to return the goods and obtaining a cheque (especially if the client request the cheque to be written on the name of a third party);
- 17) A client who does not ask for deductions or does not negotiate the price of the goods, if such practices are traditional or even widely used;
- 18) The purchase seems to exceed the client's means, based on the client's occupation or official incomes;
- 19) The client may attempt to use a cheque issued by a third party or a credit card belonging to a third party;
- 20) Issue of overvalued or undervalued invoices, structured in a complex or multiple way, as well as the dispatch of high value assets, which are over or under insured.

Chapter XI

Signs of money-laundering suspicious activities and transactions for natural and legal persons who trade assets amounting to at least 200 thousand MDL or the equivalent thereof in cash.

- 1) The client refuses to provide the information requested by the reporting entity, including the information which is not provided by the legal documents, but however required for the purpose of knowing the client and the nature of the performed transaction;
- 2) The client provides information, which might be considered by the reporting entity as untrue and/or erroneous;

- 3) The client is accompanied or controlled by a third party or acts through a third party but fails to communicate the presence thereof or refuses to provide the data thereof, and the transaction's beneficiary is, in fact, this third person.
- 4) Transactions made with clients from high-risk jurisdictions;
- 5) Transactions involving politically exposed persons whose official activities do not reveal the necessity of such cash operations.

Chapter XII

Signs of money-laundering suspicious activities and transactions of trusts or other similar legal entities (trusts)

- 1) Refusal of a trust/legal entity to provide the reporting entity with information related to its status, complete information related to the purpose of the business relations and beneficiaries;
- 2) Refusal to provide the reporting entity with complete information related to the business purposes and to the destination of the financial operations in case the client/beneficiary of the client/client's representative of the reporting entity is a trust/legal entity;
- 3) Refusal to provide the reporting entity with complete information related to the purpose of the business relations and to the destination of the financial operations if the business relations and financial operations with a trust/legal entity with similar structure and positions are performed by the client of the reporting entity;
- 4) Refusal to provide the reporting entity, in the process of enforcing the client's risk assessment approach, information related to the quality of the representative, beneficiaries and of any other natural person who exercises the final control on the trust/legal entity with similar structure and positions, as well as of any other regulated agents and/or service providers of the trust/legal entity with similar structure and positions, including of the conventional advisers, administrators, accountants and financial advisers;
- 5) Refusal to provide, upon the request of the reporting entity, any information related to the trust/legal entity with similar structure and positions/beneficial owner/representative thereof, in relation to the property of the beneficiaries and assets of the trust/legal entity with similar structure and positions, to the place of living of the trust beneficiary, as well as to any other assets.

Chapter XIII

Geographic Criteria

An additional criteria which shall contribute to the identification of the money-laundering suspicious activities and transactions is the geographical area which involves the preponderance of a certain type of activities or transactions

exposed to the risk of money laundering and/or terrorist financing in a certain jurisdiction/country.

Therefore, the reporting entities shall assess the clients' activities or transactions in terms of the geographic risk generated by the following countries:

- Countries subject to penalties, embargo or other similar measures enforced by various international organisations;
- Countries where terrorist groups are known to be operating or which support terrorist financing;
- Countries known for the high risk of criminality;
- Off-shore countries or areas;
- Countries with deficiencies and non-cooperating in terms of money laundering and terrorist financing.

The inclusion of a jurisdiction from the lists above in the client's transactions does not mean that the operation is going to be qualified ex officio as a suspicious activity or transaction.

The suspicion will be established based on a justified analysis of the activity or transaction and based on the client's object of activity.

Thus, the reporting entities shall consult at least the following links during the process of identifying suspicious activities or transactions:

- FATF List- <http://www.fatf-gafi.org/countries/#high-risk>
- AML Clues – prepared by the Basel Institute - <https://index.baselgovernance.org/ranking>
- European Union List of non-cooperating off-shore countries: (https://ec.europa.eu/taxation_customs/tax-common-eu-list_en)
- Entities and jurisdictions subject to OFAC financial penalties - <https://www.treasury.gov/resource-center/sanctions/Pages/default.aspx>
- List of Transparency International including the high-risk countries due to the high corruption level: (https://www.transparency.org/news/feature/corruption_perceptions_index_2016)
- Other lists that might be prepared by the reporting entities based on the assessments performed by international organisations:
GRECO - (<https://www.coe.int/en/web/greco/evaluations>)
OECD:
(<http://www.oecd.org/corruption/countryreportsontheimplementationoftheoecdanti-briberyconvention.htm>)
(<http://www.oecd.org/tax/transparency/exchange-of-information-on-request/ratings/>)
- UNODC – (<https://www.unodc.org/wdr2017/index.html>)
- Reports of the USA State Department— (<https://www.state.gov/j/inl/rls/nrcrpt/2016/vol2/>)

Considering the fact that the inclusion, as well as the exclusion of the countries in/from the lists above is a continuous process, we recommend the permanent monitoring of the amendments and updating thereto from the internal

programmes for the prevention and fight against money laundering and terrorist financing.

Chapter XIV

Reporting of suspicious transactions

The reporting entities have the obligation to immediately inform the Office for Prevention and Fight against Money Laundering on any suspicious assets, activities or transactions suspected of money laundering, crimes related thereto, and activities or transactions suspected of terrorist financing, which are under preparation, attempted, in execution or already executed.

The data related to the suspicious activities and transactions and the suspicious assets shall be reported using special forms, to be submitted to the Office for Prevention and Fight against Money Laundering within maximum 24 hours from the identification of the act or circumstances that generate suspicions.

The form, structure as well as the method for the reporting, receipt and confirmation of the special forms are provided by the instructions and procedures related to the reporting of activities or transactions, which are prepared and approved by the Office for Prevention and Fight against Money Laundering.

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