

CENTER FOR COMBATING ECONOMIC CRIMES AND CORRUPTION

ORDER

on approval of the Guide to Suspect Activities or Transactions under the incidence of the Law on Prevention and Combating of Money Laundering and Terrorism Financing

No. 118 of 20.11.2007

Official Monitor No.203-206/741 of 28.12.2007

Amended by Order.114 of 22.08.2011

Official Monitor No.840 of 14.09.2011

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In compliance with provisions of art.4, 6, 8 and 11 of the Law No.190-XVI of 26 July 2007 on Prevention and Combating of Money Laundering and Terrorism Financing (Official Monitor of the Republic of Moldova, 2007, No.141-145, art.597),

I ORDER:

1. To approve the Guide to Suspect Activities or Transactions (annexed).

2. In case of emergence of new technologies, the Service for Prevention and Combating of Money Laundering shall make proposals to establish other criteria to determine suspect activities or transactions. The relevant information shall be placed in the Internet on "www.cceec.md".

2¹. The Service for the prevention and combating of money laundering shall provide monitoring and elaborate proposals on the operation of amendments and additions to the Attachments no. 1-5 to the Guidance on suspicious activities or transactions once new indices of suspicion are identified

3. Interaction with reporting entities and their supervisory bodies is carried out by the Service for Prevention and Combating of Money Laundering (Mr. Valeriu Sircu).

DIRECTOR OF THE CENTER FOR COMBATING

ECONOMIC CRIMES AND CORRUPTION

Valentin MEJINSCHI

Chisinau, 20 November 2007

No.118.

APPROVED

Centre for Combating Economic Crimes
and Corruption of the Republic of Moldova
Director _____ Valentin MEJINSCHI
No.118 of 20 November 2007

REGISTERED

Ministry of Justice
of the Republic of Moldova
Minister _____ Vitalie PIRLOG
No. 526 of 14 December 2007

GUIDE TO SUSPECT ACTIVITIES OR TRANSACTIONS

Chapter I GENERAL PROVISIONS

1. The present Guide is developed in compliance with international standards for prevention and combating of money laundering and terrorism financing, provisions of the Law No.190-XVI of 26 July 2007, in order to establish criteria and indicators of possible suspect activities or transactions related to money laundering and terrorism financing (hereinafter referred to as suspect transactions).

2. The suspect nature of activities or transactions derives from the unusual way in which the latter are performed, reported as current and/or regular activities, economic efficiency criteria and banking practice of an individual or legal entity. Suspect transactions related to terrorism financing are also established based on the lists of persons and entities involved in terrorist activities published in the Official Monitor of the Republic of Moldova by the Information and Security Service.

3. Suspicion of activities or transactions is personal and subjective, generating lack of confidence in the corresponding person or persons, as well as doubts in terms of accuracy and legality of their deeds or honesty of their intentions.

4. The information on suspicious transactions and other activities, including the payments made to/from the Transnistrian region shall be reported to the Service for the prevention and combating of money laundering in the manner provided by the laws.

Chapter II CRITERIA AND SIGNS OF SUSPICIOUS TRANSACTIONS IN BANKING, SAVINGS AND CREDIT, MICRO FINANCING, MORTGAGE LOAN AND CREDIT HISTORY OFFICES

5. General criteria of suspect transactions:

1) Unjustified refusal of the client to present information not stipulated by legislative acts but required in compliance with the banking rules and practice, as well as excessive insistence of the client on confidentiality of the carried out operations;

2) The client ignores more favourable conditions for service provision (commission amount, interest rate on demand and fixed deposits, etc.), as well as offers exaggerated commission or a commission that initially differs from the one usually charged for provision of such services;

3) The client's operations do not have an obvious economic purpose, do not correspond to the nature of the client's activity and do not target liquidity management or risk insurance;

4) Existence of requests for non-standard or difficult settlements that differ from the usual practice of the client or from the market practice;

5) The client's unjustified rush to perform the operations;

6) The client introduces essential modifications in the previously coordinated operation scheme right at the beginning of the operation, especially, if those refer to the direction of the money or other assets flow;

7) The client transmits a task related to carrying-out of an operation through a representative (intermediary), if the representative (intermediary) fulfils the client's task without having a direct (personal) contact with the reporting entity;

8) Inflows in the client's account, based on the same ground, from one or several counter-agents, of amounts that do not exceed 500 thousand lei separately, but do exceed this amount if summed up, with further transfer of funds to the client's account opened in another financial institution, or application of funds to purchase foreign currency, securities and other highly liquid assets;

9) Deliberate division of amounts transferred by the client to one or several recipients on the same basis, granted that altogether they exceed 500 thousand lei by transfer or 100 thousand lei in cash;

10) Lack of information on the client (on the legal entity, including on the financial institution), as well as impossibility to contact the client at the address and telephone number indicated by the latter;

11) Lack of information on the client in financial institutions that service (or serviced) them;

12) Difficulties encountered by the reporting entity within the process of verifying the information submitted by the client in compliance with the requirements set by the legislation, the client submits information that cannot be verified, or verification of which can be quite costly;

13) Impossibility to identify the client's counter-agents, the name of the payer for operations related to inflows in the current accounts;

14) Lack of a possible connection between the nature and type of the client's activity with the services requested from the reporting entity.

6. Criteria of suspect transactions in performing cash or cashless operations:

1) Opening of several fixed deposits in the course of 30 days in the name of the same client for an amount that does not exceed 500 thousand lei (except for cases when it is known that the client, based on the nature of their activity, receives such amounts of cash regularly every 30 days), with further transfer of funds to a single account after the expiry of the deposit term and (or) further transfer to another reporting entity;

2) Transfer to the client's account of payments from individuals that exceed 500 thousand lei by transfer and/or 100 thousand lei in cash including through cash desk of the reporting entity, when these are not part of regular operations of the client;

3) Transfer of funds to the account of the client (legal entity), through which no or insignificant operations have been carried out for more than six months, with further withdrawal of those amounts by the client in cash;

4) Regular inflow of cash in the client's account, as a result of sale of the reporting entity or collection of cheques issued within international payment systems, which imply further acceptance, with the transfer of the whole amount or of its major part, even if the amount does not exceed 500 thousand lei, within one day or the following day, to the client's account opened in another reporting entity or for the benefit of a third person, including non-resident;

5) Transfer of funds to an anonymous account (deposit) abroad and receipt of funds from an anonymous account (deposit) abroad;

6) Regular presentation of cheques issued by a non-resident financial institution and endorsed by a non-resident for encashment, if it does not correspond to the nature of the client's activity;

7) Unexpected increase of the client's account balance not connected directly with the activity;

8) Transfer of funds from the account of the client (legal entity) to their account opened in another financial institution, for no obvious reason (e.g. without closing the account, not for the purpose of repaying a loan from another financial institution, equal or lower interest rates on deposits under conditions of equal or worse service at another reporting institution), with payment destination "transfer of owned funds", except for the cases when the client transfers funds to their account opened with another bank;

9) Irregular or one-off use of the account by the client to receive funds with their further withdrawal in an amount more than 100 thousand lei, with further closure of the account or cease of operations through it.

7. Criteria of suspect transactions in performing operations with loan agreements:

1) Loan provision under guarantee of repayment in the form of placement of funds in the loan or another currency or securities to the bearer's account opened with the reporting entity – creditor or with another reporting entity;

2) Repayment of the liability expired under the loan agreement, if the conditions of the client's activity and the information held by the reporting entity do not allow for identification of the source of financing of the liability;

3) Loan provision under collateral of precious stones imported to the Republic of Moldova, including crediting under collateral of these valuables with their placement in the creditor's deposit, except for cases of crediting enterprises that process precious stones produced abroad;

4) Loan provision under insurance in the form of guarantees to a non-resident crediting organization in the amount that represents a whole number (100 thousand, 1 million, etc.), given no obvious connection between the place of the client's and their counter-agents' activity and the location of the guarantor, especially if the guarantee is provided by a branch of a non-resident reporting entity;

5) The information presented in the client's loan application does not correspond to the information and documents received within the negotiation process from the client's representatives;

6) The client uses funds from unspecified or unknown sources to repay the loan;

7) Provision or receipt of a credit (loan) for an interest rate that considerably exceeds the average interest rate on loans on the internal/external market;

8) Regular transfers by the client of funds that, based on the information presented in the request for transfer, represent repayment of the balance by combination of accounts, except for cases when the client participates in international or inter-governmental clearing agreements or in operations of claim cross-cancellation between the reporting entities.

8. Criteria of suspect transactions in international settlements:

1) The resident client reimburses the advance payment to a non-resident under the contract to deliver goods (to perform works, to render services) in cases when the operation of the resident with the non-resident is of a one-off nature (is not repeated within six months) and (or) is not related to the client's basic activity (based on data on the client's activity held by the reporting entity);

2) The resident pays to the non-resident a penalty (fine) for non-fulfilment of the contract to deliver goods (to perform works, to render services) or for violation of contract provisions, if the amount of penalty exceeds 10% of the amount of goods not delivered (works not performed, services not rendered);

3) The client uses forms of international settlement that do not correspond to the nature of their activity (based on data on the client's activity held by the reporting entity);

4) The beneficiary of funds or goods (works, services, intellectual activity products) is non-resident and is not a party to the contract on import (export) of goods (works, services, intellectual activity products) by the resident;

5) The contract stipulates export of goods (works, services, intellectual activity products) by the resident, or import payments of goods (works, services, intellectual activity products) in favour of non-residents registered in off-shore countries and/or areas;

6) Entry of different names for commercial items in primary supporting documents, customs declarations and international economic contracts, based on which declarations of export (import) operations are made within the reporting entity, e.g. the name of commercial items in compliance with the Nomenclature of Goods differ in primary supporting documents and international economic agreements;

7) Primary supporting documents submitted to the reporting entity in charge of international economic agreements, in relation to which declarations of export (import) operations have been made, do not contain an exact description of goods, with reference to the Nomenclature of Goods, which is the object of the international economic agreement;

8) International money transfers made from different jurisdictions by at least 5 operations in favor of a national natural person, subsequently withdrawn in cash.

9. Criteria of suspect transactions in making payments by bank cards:

1) The client regularly transfers funds that exceed 15 thousand lei to one or more counter-agents at the procurement (sale) of goods (works, services) via Internet by using bank cards with the right to withdraw money from the client's account;

2) The client that provides services in the field of commerce via Internet regularly places to an account amounts exceeding 15 thousand lei, which come from accounts of bank card holders who are clients of other reporting entities;

3) The bank card holder regularly withdraws cash exceeding 15 thousand lei at the reporting entity's cash desks or from cash dispensers, except for withdrawal of funds received on the employee's account from the employer that represent payment of material remuneration by the employer.

10. Indices that help establish the suspect nature of transactions:

1) Client's behaviour:

a) A client does not want to provide information about previous activities when they open an account or procure monetary instruments exceeding a certain value;

b) A potential borrower refuses to specify the purpose of borrowing or the source of its repayment, or indicates a purpose and/or source that do not correspond to reality;

c) Change of owner of the client's activities or the activities of new owners do not correspond to the nature of the client's object of activity, or the new owners are refractory in providing information on their identity or past financial activity;

d) A client does not declare any record on past or present employment, while performs frequent large-scale transactions;

e) An insistent client hurries the bank employee to perform a transaction rapidly and non-bureaucratically for no clear reason for such a rush (under time pressure);

f) A client announces receipt of payments that in the end are not transferred to the initially assigned account;

g) A client avoids personal contact with the bank, communication having place only through telefax or telex; in some cases, in order to avoid contact the client would appoint third parties (administrators) as people empowered to manage the account;

h) A client does not want to receive bank statements and/or takes them from the post office or from the bank once or twice a year, or never;

i) A client does not want to indicate their previous servicing bank or another bank (banks) where they have other personal accounts.

2) Avoidance of requirements to report or keep records:

a) A client is refractory to provide information required for a compulsory report refuses to complete the report or to perform a transaction after having been informed about the requirement to fill in the report;

b) A person or group constrains or tries to constrain a bank employee not to take the requested record or reporting forms on file.

3) Cash transactions:

a) Exchange of large amounts from one currency to another for no obvious economic reason, especially, when the client does it frequently;

b) Exchange of large quantities of small denomination banknotes for high denomination banknotes;

- c) Significant increase in cash deposits or foreign currency transactions of a client for no obvious reason, especially if such amounts are then transferred within a short period of time to a destination that cannot be normally associated with the client;
 - d) Unusually large cash deposits and withdrawals;
 - e) A retail company has totally different methods of cash depositing than other companies in the same field within the same geographical area;
 - f) A client announces receipt of payments that in the end are not transferred to the initially assigned account;
 - g) A client does not want to receive bank statements and/or takes them from the post office or from the bank once or twice a year, or never;
 - h) A client does not want to indicate their previous servicing bank or another bank (banks);
 - i) Transactions performed in foreign currency within business that normally does not generate foreign currency;
 - j) Cash deposits in several accounts so that each separate amount is small (negligible), but the overall amount is large;
 - k) Application of several monetary instruments to pay to a single organization, especially when no apparent business goal would require application of multiple instruments;
 - l) Clients often, together and simultaneously, use different cash desks to perform transactions with large amounts of cash in lei or in foreign currency;
 - m) A client (e.g. a shop owner) makes several deposits on the same day with different cash desks or branches of the bank;
 - n) Transactions in foreign currency divided below a certain limit (including on the same day / in the course of several days) at the same bank / different branches, at different banks (if these are known) or deposit / withdrawal of foreign currency from transactions performed before or after the deadline set by a financial institution, so that the combined transaction would be considered as performed in two days;
 - o) Application of an immense amount of small-value monetary instruments in ordinary commercial transactions;
 - p) Cash withdrawals and deposits of very large amounts from / in the current account of a legal entity that normally does not apply cash payment methods;
 - q) Clients who constantly make deposits in cash to cover bills of exchange, money transfers or other negotiable instruments or easily saleable payment instruments;
 - r) Large transfers of funds abroad or from abroad with instructions of payment in cash;
 - s) Frequent deposits in cash made in the account of a client by third parties without any apparent connection with the account holder;
 - ș) Use of lock boxes over night for deposits of large amounts of cash;
 - t) Cash deposits containing fake bills or instruments.
- 4) Transactions through bank accounts:
- a) Account (accounts) of a company where deposits or withdrawals are made more in cash than by cheques;
 - b) Large withdrawals of cash from an account that used to be inactive or from an account, to which a large amount from abroad has been just unexpectedly transferred;
 - c) Use of an account of a company that indicates a reduced or irregular activity, the account seems to be used, first of all, as a temporary deposit of funds that are then transferred abroad;
 - d) Frequent and substantial transfers of funds (or deposits of other financial instruments) that cannot be clearly identified in terms of economic justification;
 - e) Substantial increase, for no apparent reason, of a client's turnover, which is reflected by the activity in their accounts;
 - f) Combination of large transfers with amounts withdrawn in cash on the same day or on the previous day, when the client's situation does not justify such an activity;

- g) Use of an account only as a temporary deposit of funds that, eventually, shall be transferred to other accounts abroad;
 - h) The client opens a large number of accounts with the branches of the same bank or with different banks and repeated transfers of large amounts of money between these accounts;
 - i) Existence of several accounts of one client with several banks in the same area, especially, when these accounts are filled by large amounts of money, prior to the request of disbursement;
 - j) Small cash deposits on a client's account followed by immediate transfer to an account with another bank;
 - k) Repeated opening and closing of accounts in the name of the same client or a member of their family, for no plausible reason;
 - l) A client frequently receives large amounts of money from countries where illegal drug production may take place;
 - m) Concordance between crediting and debiting of an account on the same day or on previous days;
 - n) A client makes large and frequent deposits in cash and maintains a large balance, not using other services, such as loans, letters of credit, etc.;
 - o) Deposit transactions through cheques issued by third parties for large amounts signed in favour of the client;
 - p) Suspect cash flow from one bank to another and back to the first bank. For example, the following scheme: 1) procurement of cheques from a bank, 2) opening of an account with another bank, 3) depositing the cheques in the second account and then 4) electronic transfer of funds from the second account to the account with the first bank that initially issued the cheques;
 - q) Periodical transfers from personal account to countries with higher level of risk;
 - r) Depositing amounts in several accounts, usually in values below the legal report limit, followed by their placement in a single account and by transfer of the amount, usually abroad;
 - s) Payments or inflows with no obvious connection with any legal commercial contract;
 - ş) Transfers of large amounts in the name of a client for no specific reason or with no reasonable explanation;
 - t) Transfers from countries with higher level of risk, where the client does not have an apparent commercial activity or if it does not comply with the client's commercial activity or background;
 - ı) Transfer of identical amounts by the same credit manager, which are withdrawn on the same day in cash;
 - u) Transfers of large amounts, which are withdrawn on the same day in the form of "loan repayment";
 - v) Repeated transfers of funds (usually the same amounts) between the same companies.
- 5) Bank electronic transfers:
- a) Frequent transfers from the account of a legal entity to the account of an individual with no reference to the nature of transfers;
 - b) Unusual transfer of funds between connected accounts or accounts that have the same administrator or administrators who are somehow related;
 - c) Frequent transmission or receipt of large amounts of electronic transfers to and from off-shore companies;
 - d) A client has multiple accounts, transfers money between these accounts and uses a collector account, from which transfers the initially received funds electronically. (A client deposits funds in several accounts, usually below a certain limit, then the funds are consolidated in a collector account and transferred electronically abroad);
 - e) Order given to the bank to transfer funds abroad and to wait for receipt of an equivalent electronic transfer from other sources;

f) Regular deposit or withdrawal of large amounts through electronic transfers to/from or via countries where illegal drug production may take place or the bank secret laws of which facilitate money laundering;

g) Receipt of electronic transfers and immediate purchase of monetary instruments made for payment to a third party;

h) A client transmits and receives electronic transfers (to/from off-shore zones), especially, if there is no apparent business reason for such transfers or these contradict to the client's present or past activity;

i) There is a sharp increase of international or internal electronic transfers in a client's activity through transmission or receipt of large amounts of money, and such transfers are contradictory to the client's past;

j) An account with many low-value inflows by electronic transfer or deposits are made using cheques or payment orders, and almost immediately practically the whole balance is transferred electronically to another city or country, when such an activity is contradictory to the activity carried out by the client or their history;

k) A client pays for electronic transfers abroad / from abroad of large amounts using multiple monetary instruments at the disposal of the financial institutions;

l) A client receives or performs electronic transfers involving amounts in foreign currency immediately under a certain limit or uses numerous bank or traveller's cheques;

m) A client receives electronic transfers according to the bank's instruction "to pay only after client identification" or to transform the funds in cheques and send them by post, when 1) an amount is very large, 2) an amount is immediately below a certain limit, 3) the funds come from another country or 4) such transactions are performed repeatedly;

n) A client makes large electronic transfers abroad, which are paid through multiple cheques or other payment instruments (possibly immediately below a certain limit);

o) A client carries out an intense activity in electronic transfers, although it used not to be their usual activity in the past;

p) Instructions on fund transfers abroad with no reasonable cause for payment;

q) Transfers to certain crediting institutions without specifying the addressee;

r) Messages that do not contain all the necessary identification data on the client, e.g. "one of the bank's clients".

6) External operations:

a) Use of credit lines and other methods of financing to carry out external transfers when the transaction are not justified by the regular activity of the client;

b) Establishment of large balances inadequate for the ordinary turnover of the client's business followed by further transfers to overseas accounts;

c) Transactions are not justified by the client's relationship with the branches of financial institutions situated in countries that might be involved in illegal drug production or in off-shore zones;

d) Large-scale transactions performed by clients recommended by a financial institution from the countries that might be involved in illegal drug production;

e) Carrying-out of external transfers from available foreign currency funds by residents, the normal activity of which does not justify the declared nature of the currency transaction;

f) Regular and large external transfers by individuals;

g) A client does not fulfil the obligation to transfer or repatriate all the amounts in foreign and/or national currency received from transactions with overseas;

h) Large-scale currency operations performed by resident clients (non-existence of incidental nature);

i) External advance payments for imports, for which goods were not delivered, operation was not performed, service was not rendered within the terms stipulated by the contract, with no further refund of the advance payment, repatriation of amounts, that is no justification of the advance payments;

j) Execution of cash payment orders made by different persons instead of their execution through bank transfers;

k) Repeated external transfers with the recommendation to pay the beneficiary in cash;

l) External payments made to other beneficiaries than the ones indicated in import customs declarations and in the external invoices (redirected payments);

m) Repeated external transfers to third parties and not to the external partner of the client;

n) External transfers representing import payment to other companies or individuals and not to the supplier of goods;

o) External transfers justified by purchase of shares of firms registered in off-shore zones.

p) In agreements on purchase of claim letter / taking over the liability, transactions (with receivables /liabilities) are not transparent or initial agreements (on receivables /liabilities) are not presented.

7) Credit operations:

a) Clients repay loans unexpectedly soon using funds from unknown sources;

b) The declared purpose of the loan is not justified and the client offers a cash guarantee or mentions it when specifying the purpose of the loan;

c) Clients (legal entities) apply for loans, even though according to the analysis of their economic and financial documents there is no need for one;

d) Application of a loan in a way that contradicts the purpose specified at loan granting;

e) Clients that change loan destination;

f) Loan amounts are transferred or transmitted unexpectedly to an off-shore bank or a third party;

g) Loan applications accompanied by guarantees of third parties or of a bank, if the origin of the guarantee is unknown or if the guarantee does not comply with the status of the client;

h) Guarantees are offered by unknown to the bank third parties that are not closely related to clients and have no plausible reason to offer such guarantee;

i) Loan application accompanied by a guarantee comprising a deposit certificate issued by an overseas bank or by an investment fund;

j) The client purchases deposit certificates and places them as guarantee on a loan;

k) Application for loans to off-shore companies or loans guaranteed by bonds of off-shore banks;

l) Transactions involving a phantom bank from an off-shore country and/or zone, the name of which can be similar to the name of an important legitimate institution;

m) Payments made by cheques issued by third parties or by cheques with multiple signatures;

n) Loan applications submitted by new clients through professional intermediaries (lawyers, financial consultants, intermediary companies);

o) Promise to place deposits of large amounts in foreign currency in cash in order to receive a more favourable treatment of loan applications;

p) Drawings from foreign currency credit lines used by conversion in (Moldovan) lei for current chain payments of the same value to different companies, and the latter making external advance payments by conversion from (Moldovan) lei into foreign currency;

q) Repayment of the loan granted to a company by another company (especially if it is an off-shore company).

8) Investment-related transactions:

a) Purchase of securities and their placement in safe custody when this is inconsistent with the client's activity;

- b) Requests on the part of clients to benefit from investment administration (in foreign currency or in securities) when the source of funds is unclear or inconsistent with the economic activity of the client;
 - c) Purchase (transaction) or sale of securities for cash or in order to purchase other securities when the transaction is not made through the current account of the client;
 - d) Unusual sale of some high-value securities that are later withdrawn;
 - e) Purchase of movables through a bank, when such procurement is inconsistent with the regular activity of the client;
 - f) Use of cash to purchase/sell movable assets instead of cashless payment (transfer), especially when large amounts of money are involved;
 - g) Request of a client for the bank to issue a guarantee certificate for securities, the authenticity of which cannot be verified.
- 9) Credit documentation and guarantees:
- a) The indicated applicant or the beneficiary (drawer) are companies, the addresses of which are unknown;
 - b) The name of the guarantee beneficiary is not mentioned;
 - c) Letters of credit, credit documents or guarantees on delivery of goods (especially raw material) to countries that normally do not request such deliveries or from the countries that have not exported such products previously;
 - d) Indication of the fact that the guarantee is divisible, often including an addendum transferable and divisible without payment of a transfer fee;
 - e) Use of the notion "Prime Bank Guarantee" or "PBG";
 - f) The client provides unusual and incomplete documentation or uses names similar to those of well-known legitimate institutions and/or uses an ambiguous language or pseudo-expert terminology.
- 10) Country of origin or destination of the transaction:
- a) Countries that might be involved in illegal drug production (according to Annex No.1);
 - b) Countries that represent a higher risk due to the high level of criminality and corruption (according to Annex No.2);
 - c) Off-shore countries and zones (according to Annex No.3);
 - d) Countries that do not have legal norms against money laundering and terrorism financing or such norms are inadequate (according to Annex No.4);

Chapter III

SIGNS OF SUSPICIOUS TRANSACTIONS IN FOREIGN CURRENCY IN THE NON-BANKING SPHERE

11. Indices that lead to establishment of the suspect nature of currency exchange transactions:

- 1) Repeated requests for currency exchange of amounts close to the limit of reporting obligation within a short period of time, as well as currency exchange operations at different branches;
- 2) Purchase or sale of large volumes of currency or exchange into national or another foreign currency;
- 3) Exchange of an unusually large quantity of small denomination banknotes in large denomination banknotes.

12. Indices that lead to establishment of the suspect nature of transactions in the non-banking system:

- 1) Clients repay their loans unexpectedly, very quickly, using funds from an unknown source;
- 2) The declared purpose of the loan is not justified and the client offers a cash guarantee of an unknown origin and mentions it when specifying the purpose of the loan;

- 3) Clients (legal entities) apply for loans, although according to their economic and financial analysis there is no need for one;
- 4) Transactions where assets are withdrawn right after their deposit except for cases when the client's economic activity gives a plausible reason justifying the immediate withdrawal;
- 5) Loan amounts are immediately transferred or sent by post to an off-shore bank or a third party;
- 6) Transactions performed in contradiction with the client's regular activities (e.g. use of letters of credit/other methods of financing business through which funds are transferred between countries where such business does not comply with the client's regular economic activities);
- 7) Application of a loan in a way that contradicts the declared purpose;
- 8) Clients changing loan destination;
- 9) Furnishing of a personal guarantee or indemnities as guarantee for loans between third parties, which is inconsistent with the requirements of the market;
- 10) Back-to-back loans without any identified or legally admitted goal;
- 11) Payments of cheques signed in favour of the client to a big number of third parties;
- 12) Loan applications accompanied by guarantees issued by third parties or by a bank, if the origin of this guarantee is unknown or inconsistent with the client's status;
- 13) Guarantees furnished by unknown to the bank third parties that do not have relationships with the client, with no plausible reason to guarantee such asset;
- 14) Loan applications from off-shore companies or loans guaranteed by bonds of off-shore banks;
- 15) Transactions involving an off-shore bank, the name of which can be similar to the name of an important legitimate institution;
- 16) Encashment of payments under "credit facilities" or "loan" or "advance payment", especially when payments come from abroad, and the indicated creditor is a post box, an individual or a company that has no business relationship with the client;
- 17) Loan applications filed by new clients through professional intermediaries (lawyers, financial consultants, intermediary companies);
- 18) Promise of deposits of large amounts in foreign currency in cash in order to receive a more favourable treatment of loan applications.

Chapter IV

INDICES OF SUSPECT TRANSACTIONS IN MOVABLE ASSETS

13. Indices that lead to establishment of the suspect nature of transactions:

- 1) Sale of movable assets with transfer of collected payments to a financial institution other than specified in the contract;
- 2) Sale of movable assets undistributed largely to the public repeated after a short period of time and/or involving large amounts, especially if partners are located in higher-risk countries;
- 3) Transfer of funds to financial and banking institutions other than those from where the funds were initially directed (especially if they are located in different countries);
- 4) Involvement in purchase and sale of movable assets of the same value ("laundering through transaction") creating the illusion of business;
- 5) Transactions involving foreign jurisdictions;
 - a) A client presented by the branch of a foreign bank or another client, when the client and the presenter are located in countries that might be involved in illegal drug production;
 - b) A big number of transactions in movable assets that imply several jurisdictions;
- 6) Transactions involving unidentified parties;

- a) A client (individual) that finds it difficult to prove their identity and that is unwilling to give details on performed transactions;
- b) A client (legal entity) that finds it difficult and delays obtaining of documents on the identity, bank accounts, etc. of the company;
- c) Encashment of cheques issued by third parties or of cheques with multiple signatures;
- d) The client is unusually interested in the order of compliance to obligations of reporting by the financial intermediary and in the adopted money laundering combating policy and structures the transactions so as to avoid the reporting limit of 500 thousand lei;
- e) The client is interested to pay higher commissions to the financial intermediary for confidentiality of some information;
- f) At the moment of opening an account, the client intentionally shows lack of interest in involved risks, charged commissions and other costs;
- g) Clients have accounts in a country identified as a non-cooperating country, according to the list issued by the Financial Action Task Force (FATF);
- h) Transaction between/with off-shore companies or accounts of individuals resident in an off-shore zone;
- i) Client (or a person publicly associated with the client) has a doubtful history or is presented as having possible record of violations of the provisions of the Criminal Law;
- j) The client seems to act as an agent on behalf of a credit manager, the identity of which is unknown and declines or is reticent for no grounded reasons to provide information or is evasive with regard to the identity of that person or entity;
- k) The client requires that transaction is processed differently in order to avoid requirements for unusual documentation.

Chapter V

SIGNS OF SUSPICIOUS TRANSACTIONS IN THE INSURANCE SPHERE

14. Indices that lead to establishment of the suspect nature of transactions:

- 1) Transactions conducted with the Transnistrian region;
- 2) Any transactions in which the beneficiary of payment /the client is registered in any of the countries set in the attachments nos.1-5 to this Order;
- 3) Any transactions with the national insurance/reinsurance brokers whose founders are registered in the off-shore zones;
- 4) The insured or the mediator is an institution located in the off-shore zone;
- 5) Collection of insurance premiums /payment of compensations from/to the employees of the insurance company itself or insurance brokers;
- 6) Collection of insurance premiums /payment of compensations as a result of conclusion of insurance contracts for the coverage of financial risks where the amounts of credits and guarantees exceed 500 thousand lei;
- 7) Advancement of loans and down payments in any form, for amounts exceeding 10 thousand lei;
- 8) Any transaction involving the assignment of accounts receivable or take-over of debt;
- 9) Upon conclusion of insurance contract the client accepts unfavorable conditions for himself;
- 10) The amount of insurance compensation specified in the policy is incompatible with the obvious insurance needs of the client;
- 11) Any transaction involving a third party that can not be identified;

- 12) Transfer of insurance compensation to a third party apparently having no connection with the policy holder;
- 13) Replacement of previous beneficiary, including under a life insurance contract with a person apparently having no connections with the policy holder;
- 14) Any insurance contract concluded by the insurer and the insured ones having legal addresses beyond the jurisdiction of the national supervising authority that can not be identified at the respective addresses;
- 15) Any request of the insured to return the insurance premium before the expiry of the insurance contract;
- 16) Any transactions implying frequent payments to/from other countries apparently not related to the client's activity;
- 17) The insurance premiums paid obviously exceed the insured's financial possibilities;
- 18) The client does not know what he/she wants to insure (ready to insure any risk);
- 19) The client concludes several contracts under the threshold of 15 thousand lei;
- 20) Abnormal behavior of client (nervous behavior, agitation, etc.);
- 21) The client is accompanied and advised by an unknown third person;
- 22) In case of life insurance the client solicits a shorter insurance term than the one proposed by the insurance company or broker;
- 23) The client pays excessive attention to the company's internal policy in the prevention and combating of money laundering and financing of terrorism;
- 24) At the stage of initiation of business relationship and/or conclusion of an insurance contract with the corporate entities included into the list of debtors to public budget published on the web site www.fisc.md;
- 25) Transactions by which a company procures a number of life insurance policies exceeding the real number of its existing staff;
- 26) Procurement of life insurance policy for the employees where the employer appears as a beneficiary;
- 27) Conclusion of life insurance contracts by the employer for the employees, where third parties are stated as beneficiaries;
- 28) The insurer becomes beneficiary of life insurance policy by virtue of loan extended to the insured;
- 29) Procurement of life insurance policy by a company (corporate entity) for a natural person who is not an employee of the said company;
- 30) Involvement of one or several unnecessary intermediaries (fictitious, not providing any services);
- 31) The premium is paid from a banking account opened in another jurisdiction than the domicile of the insured;
- 32) The insurance premium is paid by an unidentified third party, or the source and origin of the money so paid are unknown;
- 33) Several sources are used for the payment of insurance premium;
- 34) One or several additional amounts to the insurance premium are solicited for the transfer to any third party;
- 35) The client identifies him/herself as a person authorized to represent the insured one (beneficiary) and without reasonable justification insists on the representation of his/her interests;

36) The client insists on the payment of compensation in cash in the amount exceeding 10 thousand lei;

37) The insurance compensation is requested by the persons that are or have been subjects of criminal investigations or criminal pursuit;

38) The reimbursements are effected in another currency than the one of insurance premium.

39) The transactions are effected with deliberate supply of false or inexact essential data;

The insurance policies are requested for subsequent use for the obtaining of loans or guarantees.

Chapter V¹

SIGNS OF SUSPICIOUS TRANSACTIONS IN THE ACTIVITIES OF NON-STATE PENSION FUNDS

15¹. The signs of suspicious transactions are:

1) The amounts exceeding 500 thousand lei are deposited in diverse plans offered by the non-state pension funds, in particular, followed by subsequent withdrawals of substantial funds;

2) The assets are transferred to the capitalization plan by unknown (unidentified) third parties;

3) The contributions are paid in cash by an unknown third party in the name of a pension fund member;

4) An unemployed person pays the contribution for an employed one;

5) The funds or the other assets provided under a pension plan are incompatible with the profile of the fund member;

The amount of contributions to the pension fund exceeds 500 thousand lei by transfer or 100 thousand lei in cash.

Chapter V²

SIGNS OF SUSPICIOUS TRANSACTIONS IN LEASING ACTIVITY

15². The signs of suspicious transactions are:

1) Reasonable doubts as to the authenticity and accuracy of documents attesting the lessee's financial situation;

2) Acceptance of contractual conditions apparently exceeding the financial possibilities of the lessee and his capacity to pay the leasing rates;

3) Frequent refills transferred in short periods of time by ways having no connection with the client's current activity, especially from abroad.

4) Transfers ordered by the client, paid to himself from different countries;

5) Significant transactions that seem unusual compared to the client's previous transactions or for which there are no economically or financially plausible reasons (for instance: transactions in large amounts effected in the name of a company by the directors or related persons, attracting resources without apparent connection with the company's activity, especially when conducted in cash);

6) Transactions arranged in a logical manner, especially when they are disadvantageous for the client from the economic or financial point of view;

7) Transactions conducted by third parties in the name or in favor of a client without plausible reasons;

- 8) Transactions conducted with inexact or incomplete details, implying the intention to conceal the information on the involved parties.
- 9) Transactions involving the counterparts located in off-shore centers or in the countries where the illegal production of narcotic drugs is possible;
- 10) Simultaneous conclusion of leasing contracts for the same object with several commercial companies;
- 11) Acquisition of valuable items, which shortly thereafter are sold for a small price.

Chapter VI

SIGNS OF SUSPICIOUS TRANSACTIONS IN THE ACTIVITIES OF NON-STATE PENSION FUNDS

15. Indices that lead to establishment of the suspect nature of transactions:

- 1) Clients perform transactions in foreign currency at the casino;
- 2) Two or more clients buy chips (in the amount that is just below the limit of reporting obligation) and then make minimum bets. Later they get the chips together and one of them exchanges those chips for an amount that exceeds the limit of reporting obligation;
- 3) A client asks a casino employee to monitor their bets and to inform them when their level is close to the limit that implies reporting obligation. Once the client receives this notice, they stop gambling at that table, moves to another one, and makes additional cash transactions;
- 4) Use of other persons to carry out cash transactions at casinos;
- 5) A client gained a larger amount delegates another client to cash a part of their chips in order to avoid the reporting obligation;
- 6) A client (other than a "Junker operator" (tour operator) that is involved in the organization of visits to gambling tournaments) is seen to be giving large amounts of foreign currency directly to some individuals that then use this currency to buy chips or for currency exchange;
- 7) Clients get engaged in minimum bets without any reasonable explication;
- 8) A client buys a large number of chips for cash, engages in minimum bets at a table, then goes to the cash desk and exchanges the chips;
- 9) Clients or "Junker operator" provide false identification information/data;
- 10) Improper clients try to bribe, influence or conspire with a casino employee in order to avoid reporting obligations (e.g. through request to structure the recovered payments or by registering cash transactions in the names of other individuals);
- 11) Abnormal gambling activities aimed at reducing the game risk to the most possible extent;
- 12) A pair of bets frequently covers both possibilities of a bet with alternative options (e.g. bets on red as well as on black, or on pair as well as on impair numbers on the roulette, or bets on "bank" as well as the opposite in baccarat);
- 13) A client buys chips for cash, makes bets with minimum chances to lose (e.g. bets on red as well as on black) and makes similar transactions, after which goes to the cash desk and exchanges the chips for large denomination banknotes;
- 14) Procurement of chips for small denomination banknotes, engaging in minimum bets or non-engaging into the bet activity, followed by exchanging the remained chips for cash, demanding large denomination banknotes.

Chapter VII

INDICES OF SUSPECT TRANSACTIONS IN THE ACTIVITY OF INDEPENDENT PROFESSIONALS

16. Indices that lead to establishment of the suspect nature of transactions:

- 1) Frequent firm, business or company purchase and cession operations not justified by the nature of the carried out activity or by economic characteristics of the stakeholders;
- 2) Cession of shares or payments to firms, businesses or companies performed by methods or through entities that do not seem to fit the client's economic profile or the declared activity object of firms, businesses or companies that have received the corresponding payments;
- 3) Cession of shares or payments to firms, businesses or companies through third parties that have obviously no relation to the performed operations;
- 4) Creation of banking financial instruments designed for corporations or establishment of complex legal structures (e.g. holdings), the complexity and structure of which, based on the list of shareholders and foreign representatives of one or more companies, seem to aim at or intend to avoid, hide or create obstacles to identifying the origin of involved funds and persons that made those available;
- 5) Foundation of non-profit real estate investment companies that are used to purchase immovable property and aim at hiding the origin of the funds involved in transactions;
- 6) Offering promotions or advancements in positions implying responsibility at firms, businesses or companies to persons that obviously do not possess the necessary capabilities, and through which it is clearly intended to separate the decision-making authority from the persons that officially hold administrative positions at the corresponding firm;
- 7) Accounting transactions intended to conceal or to hide the sources of income or their nature and origin, for example, by means of over- or undervaluation of assets;
- 8) Requests for consultations on financial and tax issues. Persons willing to invest large amounts of money can present themselves as individuals that want to reduce their tax liabilities or to place their assets in such a way so that they could not be touched in order to avoid future tax liabilities;
- 9) Search of funds or financing based on guarantees represented by assets or certificates confirming existence of deposits in foreign banks, especially if these deposits are placed with foreign banks located in non-cooperating countries, according to the list of the Financial Action Task Force (FATF), or in off-shore countries and/or zones with no adequate justification;
- 10) Activity related to consulting and mediation in fund transfer and asset alienation that raises suspicion with regard to transparency, legality and opportunity.

Chapter VIII

INDICES OF SUSPECT TRANSACTIONS IN THE ACTIVITY OF OTHER INSTITUTIONS (POST OFFICES, REAL-ESTATE AGENCIES, ETC.)

17. Indices that lead to establishment of the suspect nature of transactions:

- 1) Transfers ordered by the client within a short period of time, payable to them or to the same individual in different countries;
- 2) Repeated transactions of the same type not justified by the client's activity, which seem to aim at dissimulating:
 - a) Frequent encashment of funds transferred, after a short period of time, by means or to destinations that have no relation to the current activity of the client, especially if the origin or the destination is overseas;
 - b) Encashment in the form of payment tools (cash, credit tools, credit transfers) that do not correspond to the regular activity of the client;
- 3) Recourse to repeated small-scale transactions that seem to aim at avoiding identification and reporting obligations (e.g. frequent transactions with amounts just below the limit of reporting

obligation, especially in cash or through different subunits of the same reporting organization, when those are not justified by the client's activity);

4) Significant transactions that seem to be unusual as compared to the previous transactions of the client or that have no plausible reason from the economic or financial points of view (e.g. large-scale transactions performed on behalf of the company by directors or persons related to the latter, engaging resources not related to the company's activity, especially if those transactions are performed in cash);

5) Illogical transactions, especially when those are economically and financially disadvantageous to the client;

6) Frequent transactions performed by a client on behalf or in favour of a third party, when such business relations does not seem to be justified;

7) Transactions performed by third parties on behalf or in favour of the client for no plausible reason;

8) Transactions requested intentionally with inaccurate or incomplete details, which suggest the intention to hide essential information, especially on the parties involved in the transaction;

9) Transactions that involve counterparties located in off-shore centres or in countries where illegal drug production may take place, transactions that are not justified by the client's economic activity or by other circumstances;

10) Large-scale transactions that do not fit the client's economic profile;

11) Requests of clients or their representatives to perform large-scale transactions unjustifiably using cash or payment instruments inconsistent with the usual practice and the nature of the operation;

12) Representatives that oppose disclosure of the names of persons represented by them, refuse to finalize the transaction when they are required to present informative documents on their clients, or indicate the final customer that differs from the one indicated before;

13) Purchase of high-value assets that are later sold, after a short period of time, even at a lower price;

14) Large-scale transactions performed by (or in favour of) individuals or legal entities resident in countries known to carry out illegal activities or in off-shore zones.

THE COUNTRIES
Where the illegal production of narcotic drugs is possible

Country	ISO CODE	Country code by NBM classifier
1. Afghanistan	AF	004
2. Argentina	AR	032
3. Bolivia	BO	068
4. Brazil	BR	076
5. Cameroon	CM	120
6. Columbia	CO	170
7. Comoro	KM	174
8. Ecuador	EC	218
9. Egypt	EG	818
10. Ethiopia	ET	231
11. Fiji	FJ	242
12. Philippines	PH	608
13. Ghana	GH	288
14. Guinea	GN	324
15. Jamaica	JM	388
16. Kenya	KE	404
17. Laos	LA	418
18. Lesotho	LS	426
19. Madagascar	MG	450
20. Malawi	MW	454
21. Morocco	MA	504
22. Micronesia	FM	583
23. Nepal	NP	524
24. Nigeria	NG	566
25. Pakistan	PK	586
26. Papua New Guinea	PG	598
27. Paraguay	PY	600
28. Peru	PE	604
29. Samoa	WS	882
30. Senegal	SN	686
31. Sri Lanka	LK	144
32. Swaziland	SZ	748
33. Tanzania	TZ	834
34. Togo	TG	768
35. Uganda	UG	800
36. Uruguay	UY	858

**THE COUNTRIES
of high risk due to high levels of criminality and corruption**

Country	Cod ISO	Country code by NBM classifier
1. Afghanistan	AF	004
2. Bangladesh	BD	050
3. Chad	TD	148
4. Guinea	GN	324
5. Equatorial Guinea	GQ	226
6. Haiti	HT	332
7. Iraq	IQ	368
8. Laos	LA	418
9. Myanmar	MM	104
10. Nigeria	NG	566
11. Papua New Guinea	PG	598
12. Central African Republic	CF	140
13. Congo, Democratic Republic of	CG	178
14. Sudan	SD	736
15. Somalia	SO	706
16. Tonga	TO	776
17. Turkmenistan	TM	795
18. Uzbekistan	UZ	860
19. Venezuela	VE	862
20. Zimbabwe	ZW	716

OFF-SHORE COUNTRIES AND/OR ZONES

Country	ISO CODE	Country code by NBM classifier
1. Anguilla	AI	660
2. Antigua and Barbuda	AG	028
3. Andorra	AD	020
4. Aruba	AW	533
5. Bahamas	BS	044
6. Bahrain	BH	048
7. Barbados	BB	052
8. Belize	BZ	084
9. Bermuda-Darussalam	BN	096
10. Cyprus, northern part	CY	196
11. Costa Rica	CR	188
12. Djibouti	DJ	262
13. Dominica	DM	212
14. United Arab Emirates	AE	784
15. Philippines	PH	608
16. Gibraltar	GI	292
17. Grenada	GD	308
18. Guam	GU	316
19. Guernsey	GG	898
20. Hong Kong	HK	344
21. Dutch Antilles	AN	530
22. Bermuda Islands	BM	060
23. Cayman Islands	KY	136
24. Cook Islands	CK	184
25. Man Islands	IM	833
26. Marianne Islands	MP	581
27. Marshall Islands	MH	584
28. Seychelles Islands	SC	690
29. Turks and Cayucos Islands	TC	796
30. British Virgin Islands	VG	092
31. Jersey Islands	JE	832
32. Liberia	LR	430
33. Macao	MO	446
34. Malaysia	MY	458
35. Malta	MT	470
36. Mauritius	MU	480
37. Micronesia	FM	583
38. Montserrat	MS	500
39. Nauru	NR	520
40. Niue	NU	570
41. Panama	PA	591
42. Porto Rico	PR	630
43. Samoa	WS	882
44. St. Kitts and Nevis	KN	659
45. St. Lucia	LC	662

46. St. Vincent	VC	670
47. Haiti	HT	332
48. Uruguay	UY	858
49. Singapore	SG	702
50. Sri Lanka	LK	144
51. Vanuatu	VU	548
52. Champion	City in Italy	898
53. Madeira Islands	Islands of Portugal	898
54. Tangier	Region in Morocco	898

COUNTRIES
Non-cooperating and with a high risk of money laundering and financing of terrorism

Country	Cod ISO	Country code by NBM classifier
1. Korea, People's Democratic Republic	KP	408
2. Ethiopia	ET	231
3. Iran	IR	364
4. Bolivia	BO	068
5. Cuba	CU	192
6. Kenya	KE	404
7. Myanmar	MM	104
8. Sri Lanka	LK	144
9. Arabic Syria	SY	760
10. Turkey	TR	792

THE COUNTRIES

Without sufficient norms in place in order to prevent money laundering and financing of terrorism (in continuous process)

Country	Cod ISO	Country code by NBM classifier
1. Angola	AO	024
2. Antigua and Barbados	AG	028
3. Argentina	AR	032
4. Bangladesh	BD	050
5. Brunei Darussalam	BN	096
6. Cambodia	KH	898
7. Ecuador	EC	218
8. Ghana	GH	288
9. Honduras	HN	340
10. Indonesia	ID	360
11. Mongolia	MN	496
12. Morocco	MA	504
13. Namibia	NA	516
14. Nepal	NP	524
15. Nicaragua	NI	558
16. Nigeria	NG	566
17. Pakistan	PK	586
18. Paraguay	PY	600
55. Philippines	PH	608
19. Sudan	SD	736
20. Tajikistan	TJ	762
21. Tanzania	TZ	834
22. Thailand	TH	764
23. Sao Tome	ST	678

Other documents

Centre for Combating Economic Crimes and Corruption - Decision No.118 of 20.11.2007 on approval of the Guide to Suspect Activities or Transactions under the incidence of the Law on Prevention and Combating of Money Laundering and Terrorism Financing // *Official Monitor 203-206/741, 28.12.2007*