

# Ten examples of red flags for AML and CTF:

- 1 Business relationships seem unusual, or appear to be structured to conceal the original funding sources and/or identity of the persons with true economic interest in the policy.
- 2 There are indications that the assets originate from criminal activities.
- 3 Customer is engaged in high-risk industries known to be susceptible to money laundering, e.g. trading of luxury goods.
- 4 Purpose of the contract is not apparent or makes no economic sense.
- 5 A business relationship is formed with Domiciliary Companies.
- 6 Unclear relationships among policy parties (policyholder, beneficial owner, beneficiary, life assured) and transactions are carried out in the name and or for the benefit of third parties.
- 7 Policies are cancelled, surrendered, or lapsed prior to expiration without regard to (surrender) penalties / high fees.
- 8 Abnormal transaction settlement instructions, including payments to apparently unconnected parties.
- 9 Abnormal transaction settlement instructions, including payments to a different jurisdiction than that of customer's residency.
- 10 Policies are cancelled, surrendered or lapsed shortly after a change in ownership or beneficiary.

