



# STATES OF JERSEY POLICE & CUSTOMS JOINT FINANCIAL CRIMES UNIT



P.O. Box 789, St Helier, Jersey, JE4 8ZD  
Tel: 00 44 1534 612250 - Fax: 00 44 1534 870537

## Submitting a Suspicious Activity Report (SAR)

March 2016



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## 1. INTRODUCTION

This document seeks to provide advice and relay best practice to Compliance staff & Money Laundering Reporting Officers (MLRO) within the Jersey Financial Services Industry when making a **Suspicious Activity Report (SAR)**.

A SAR is a piece of information alerting law enforcement, in particular the **Financial Intelligence Unit (FIU)**, part of the **Joint Financial Crimes Unit (JFCU)** that certain client activity is in some way suspicious and may indicate money laundering or terrorist financing.

Financial Institutions (FIs) and other organisations regulated by the Jersey Financial Services Commission (JFSC) are obliged under the following legislation ***to report where they know, or suspect or have reasonable grounds for knowing or suspecting, that a person is engaged in, or attempting, money laundering or terrorist financing.***

- **The Proceeds of Crime (Jersey) Law 1999 (as amended)** and
- **The Terrorism (Jersey) Law 2002 (as amended)**

A SAR must be submitted as soon as it is practicable (**NB** – This should include proposed and/or declined business).

This document should be used as a guide only, complementing *but in no way* replacing, the legislation and regulations which apply to anti-money laundering procedures.

By submitting a SAR to the FIU the FI will be providing valuable information of actual, or potential criminality, whilst ensuring appropriate compliance with their legal obligations to report under the above legislation.

The FIU would like to remind the FI that, following their submission, they should remember the FI obligations in respect of Tipping Off under Section 35 of the laws above.

## 2. REPORTING

SARs are submitted using the secure web-based system, which the FIU has recently renewed and upgraded to ensure it is easy and convenient for use.

Benefits of the online system include:-

- ✓ Delivery to the FIU is direct and timely.
- ✓ Fast & efficient to use



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- ✓ Helps FIs to structure SARs in the most helpful way, thereby improving processing time in the FIU.

Registering for the online system is a very simple process.

FIs should email [jfcuadmin@jersey.pnn.police.uk](mailto:jfcuadmin@jersey.pnn.police.uk) requesting access. FIs will then receive an acknowledgement email which includes a hyperlink and a User Guide<sup>1</sup> on how to proceed.

**Before** accessing the hyperlink, the FI will receive a telephone call from the FIU providing a unique user name and password.

The User Guide is a comprehensive manual, complete with screen shots, on how to submit a SAR online. The “**Submitting a Suspicious Activity Report (SAR)**” document should be used in conjunction with the User Guide in order to submit a quality SAR to the FIU.

### 3. QUALITY OF SAR SUBMISSIONS

The quality of a SAR can affect the FIU’s ability to prioritise and process the report. It can also affect important decisions or the FIU’s ability to investigate.

A poor SAR, which contains inadequate or no KYC; inadequate or no details of criminality suspected and inadequate reasons for making the disclosure, can lead to unnecessary delays, possible rejection of the disclosure and limits the FIU’s ability to provide the excellent service it strives to deliver.

It also hinders the FIs, particularly where consent has been sought and can cause problems with clients.

FIs are therefore reminded of the importance of:-

- ✓ **Providing full KYC details and attaching a passport or driving licence**
- ✓ **Completing the tick boxes under “Reasons for Disclosure Statistical Information”**
- ✓ **Ensuring the reason for disclosure is detailed but *concise***

**CARE!** *Providing accurate information is crucial as the FIU’s data system is auto populated.*

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<sup>1</sup> PolSAR – Online SAR Submission Form – User Guide ADD LINK



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## 4. BEST PRACTICE

This section intends to assist FIs when completing the online SAR form, including the importance of why certain information is required.

### 4.1 (1) Source

The information collated here reflects the contact details of the FI and MLRO/Compliance staff member making the disclosure.

These details must be entered accurately as these details may be used in serving Production Orders or Notices issued by the JFCU or the Law Officers' Department.

The inclusion of an in-house reference number will speed up the process should the FIU have to make further enquiries with the FI.

### 4.2 (2) Subjects

These fields are very important as complete and accurate details are required for the FIU to make further enquiries. **All** fields that identify the subject should be provided. The fields are self-explanatory, however the following fields are **essential** for each subject being reported:-

- ✓ Full Name, including middle & maiden/previous names (*NB –take care with spellings*)
- ✓ Date of Birth
- ✓ Gender
- ✓ Nationality
- ✓ Occupation
- ✓ Address (*NB –include the **residential** address, as well as any others held, indicating a previous address where appropriate*)
- ✓ PEP\* (tick box)

Where the FI holds a passport or driving licence, the details should be provided in the "Identification Details" field **and** the document uploaded under Section 7 Attachments.

\* PEP – Should the subject be a **Politically Exposed Person (PEP)** please ensure the box is ticked and full details of their position (current or previous) is provided under Section 6. Reasons.

This must be repeated for all subjects reported in the SAR.



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**TIP** – When completing the online form, ensure that once the information has been entered, the user selects “**Add Subject**”, “**Add Company**” or “**Add Account**” at the bottom right hand side of each page. This will avoid the data being lost and the user having to re-enter the details (*see User Guide*).

## 4.3 (3) Companies

This should be completed where the subject is a company and/or a company that is connected to the subject.

Ensure that **Beneficial Owners** are identified and are added in the field provided. Including these details, in full, in the first instance will avoid any unnecessary delays and the FIU making further enquiries to obtain the information.

Where a Trust is the subject, ensure all identifying information is included (full name of the trust, address, nature & type of trust, in addition to all trustees, settlors, protectors and known beneficiaries as appropriate). Also include details of assets (e.g properties owned). The details of these parties can be provided in the “Beneficial Owner(s)” field.

## 4.4 (4) Accounts

Within this section, the FI is required to provide the name of all relevant accounts, whether active or closed. In addition, all associated sort codes, account/investment numbers, opening dates and assets held/balance of the accounts/investments must be included.

Assets are particularly important when carrying out the initial assessment of the SAR as it determines how the SAR is prioritised and what response is given to the FI. If assets are not provided, this will cause a delay.

This information should be complete and accurate as it may also be used in serving Production Orders or Notices issued by the States of Jersey Police or the Law Officers’ Department.

## 4.5 (5) Stats Info

This section is split into small subheadings and at least 1 option must be ticked by the FI under each subheading.

In order to assist FIs, each subheading is explained below:-

Disclosure Type:                      Tick under what legislation the FI’s suspicion falls.



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**Criminality Suspected:** Tick the most appropriate box/boxes which the FI understand to be the criminality identified. (**NB** - There is no right or wrong decision, it is the FI's suspicion.) If the FI does not know the criminality, select "Unknown/undetermined" – do not leave the section blank.

**Nature of Institution:** Tick the appropriate box which reflects what business the FI undertakes.

**Currency involved:** Tick what currency is involved (**NB** – This may differ to the currency of the account). If "Other" is selected, please include the currency in the "Reason for Disclosure" field.

**Grounds for Disclosure:** Tick all that apply. What activity has led the FI to believe that criminality has taken place.

The information gathered here is vital for the FIU. It assists to review typologies and trends which in turn assist in providing feedback to FIs.

The FIU encourages the FI to complete these fields, as failure to do so may result in the SAR being rejected or the Grading Officer making enquiries with the FI before the SAR can be processed, resulting in unnecessary delays for both parties.

## 4.6 (6) Reasons

Making a quality report will significantly enhance the FIU's abilities to extract greater value from submitted SARs. Often, a seemingly minor piece of information can become a valuable piece of intelligence to the FIU. Therefore:-

- ✓ Structure the report in a logical format.
- ✓ Include all relevant information

### ***Reason for Disclosure:***

A brief overview of the type of business being conducted which explains the FI relationship with the subject(s) is essential.

It is helpful to write a brief summary to explain the FI's suspicion and then provide a chronological sequence of events. Keep the content clear, concise and simple.



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For example, describe the **events, activities and transactions** that led the FI to be suspicious and include *how* and *why* the suspicion arose. (**NB** – the report should reflect the options ticked in the previous section).

As a basic guide, remember to include:-

- ✓ Who?
- ✓ What?
- ✓ Where?
- ✓ When?
- ✓ Why?
- ✓ How?

If the FI are suspicious because the activity deviates from the normal activity for that customer/business sector, briefly explain how the activity that gave rise to the FI's suspicion differs.

When the suspicion being reported relates to a financial transaction, include the relevant details of the beneficiary/remitter of the funds. Also, include (if known) the destination/originating bank details (e.g. sort code, correspondent bank details). It is important to accurately record the date on which the transaction has occurred, or will occur. It is also useful to understand the type of transaction – for example, an ATM withdrawal, electronic transfer or cash transaction.

Avoid the use of acronyms or jargon within the SAR. If the FI are describing a service provided, a product or technical aspect of the FI work, it would be beneficial to provide a brief synopsis in the report. This will aid the investigator at the FIU.

***Full details of other associated persons or companies:***

This section should be utilised to provide any details of third parties (individuals/companies) which are relevant to the suspicion.

***Details of introducer / intermediary:***

Where the FI received the business via an introducer or intermediary, this should be identified and full details provided, including full company name, registration details, address and main contact. Where possible, full name, date of birth & occupation of the main contact should be also be provided.



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## 4.7 (7) Attachments

The FI can upload any documents to the SAR, however these must be relevant to the suspicion.

Do not attach a copy, or “copy and paste”, from the internal SAR.

As previously mentioned, any copies of passports or driving licences may also be uploaded. Other such documents may include account opening documentation or structure charts.

Where the report makes reference to open source materials, either include a copy of articles found, or provide the web links in the “Reason for Disclosure” field.

## 4.8 (8) Submit

By selecting the “**View/Print**” icon the user is able to review the information to be submitted to the FIU.

Ensure all fields are complete and accurate before returning to the Submit page and select “**Submit Form**”.

**TIP** - If any amendments need to be made, return to the appropriate page to make them. In the case of updating Subject details, the user must first identify the correct one from the list on the right hand side of the page & select the blue icon.

Update the field accordingly and select “**Update Subject**” at the bottom right hand side of each page, failure to do so will result in the changes not being saved.

## 5. Appropriate Consent

The FI is reminded to include the request for a consent decision (continue/maintain or exit) in the “Reason for Disclosure” field and should clearly specify the activity for which consent is required.

Once the SAR has been received and graded accordingly, the FI will receive a response within 7 days. The response provides a corresponding unique reference number for the case and consent on whether the relationship can be continued/maintained or exited (as requested).



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In certain cases, it will not be possible to provide consent at the time of submission. The FI will be advised accordingly and the FIU Investigator will make contact in due course with a decision.

## 6. FIU Enquiries (Notices)

On occasion, the FIU may serve a Notice to the FI under the **Proceeds of Crime (Financial Intelligence)(Jersey) Regulations 2015** .

This new legislation came into force in March 2015 and allows the FIU to request financial information from any relevant person in order to fulfil its function.

The FI should note the timescales provided within Notice and ensure that they comply accordingly.

Having received the Notice, the FI may wish to review the relationship with a view to filing a SAR.

## 7. Tipping Off

Tipping Off does not include making enquiries with a customer in order to satisfy any concerns that the FI would normally have in the course of the relationship.

For example, should adverse media be located on the customer, there is no reason why the FI cannot ask the customer about it, as this information can be found in the public domain.

## 8. Making Contact with the FIU

FIs can contact the FIU by telephone or email with any queries on the following details:-

- Please call FIU on (01534) 612250
- Please email [jfcuadmin@jersey.pnn.police.uk](mailto:jfcuadmin@jersey.pnn.police.uk)
- Alternatively, if the case has already been allocated to an Investigator & the FI has been provided with their contact details, please contact them directly quoting the IFIS reference (e.g. 1234-16).

## 9. Feedback

The FIU appreciates the FI feedback and welcomes any comments FIs may have.