



NCA

National Crime Agency

OPBAS

OFFICE FOR PROFESSIONAL BODY AML SUPERVISION
FINANCIAL CONDUCT AUTHORITY



UKFIU

UK Financial Intelligence Unit

Guidance for anti-money laundering supervisors on submitting better quality suspicious activity reports (SARs)

This is a United Kingdom Financial Intelligence Unit (UKFIU) Guidance Note, drafted in conjunction with the Office for Professional Body Anti-Money Laundering Supervision (OPBAS). It is produced in line with the National Crime Agency (NCA) commitment to share perspectives on the SARs regime.

June 2021
V3.0



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Purpose

This document aims to provide AML supervisors, including the Professional Body Supervisors (PBSs) overseen by the Office for Professional Body Anti-Money Laundering Supervision (OPBAS), with guidance on how they and their supervised populations should submit better quality SARs to the NCA. It should be read in conjunction with guidance on the NCA website www.nationalcrimeagency.gov.uk

If all of the following good practice is followed, it will enable the UKFIU and law enforcement agencies (LEAs) to make the best possible use of SARs.

When submitting a SAR to the NCA, reporters must refer to the published guidance from the NCA, their own regulatory body and their own internal guidance.

Submitting a SAR under the Proceeds of Crime Act 2002 or Terrorism Act 2000

All reporters in the regulated sector must submit a SAR under either the Proceeds of Crime Act 2002 (POCA) or Terrorism Act 2000 (TACT) via SAR Online. Reporters should ensure that the defined criteria within the SAR is completed. Reporters **must** register under the correct sector and regulator/supervisor on SAR Online.

Structure of a SAR

The following will ensure that a 'good quality' SAR is submitted by reporters.

Clear and concise

The explicit rationale behind the reason for suspicion and the context of why the SAR is being submitted should be clearly communicated in simple English.

- Reports should be structured in a logical format including all relevant information.
- Suspicion should be briefly summarised.
- A chronological sequence of events should be provided.
- Content should be clear, concise and simple.
- Acronyms and jargon should be avoided as they may not be understood by the recipient and are open to misinterpretation.
- Descriptions of services provided or technical aspects should be accompanied by a brief synopsis.
- SAR text should not be in capital letters as this makes it very difficult to read.
- Large amounts of information/text should be broken up more into manageable and readable paragraphs.
- Punctuation should be used.
- Bank account/transaction information should be separated and use made of the standard sort code account and format as 012345 12345678.

Reason for suspicion

The suspicion element is the rationale behind why a SAR was submitted and therefore should be explicit. In the 'reason for suspicion' field (limited to 8,000 characters on SAR Online and 30,000 using email bulk encryption), the following should be included:

- Who is involved?
- How are they involved?
- What is the criminal/terrorist property?
- What is the value of the criminal/terrorist property (estimated as necessary)?
- Where is the criminal/terrorist property? (e.g. a casino in London, a property in Hampshire etc.)
- When did the circumstances arise?
- When are the circumstances planned to happen?
- How did the circumstances arise?
- Why is there suspicion?

Completing all SAR information fields

All SAR information fields should be completed as fully as possible. The amount of information may depend on the relationship between the reporter and the reported subject. If the information is not known, the field should be populated with 'UNKNOWN'. A SAR that contains partial information can still be useful to the UKFIU and LEAs so reporting is encouraged.

If you are engaged with law enforcement in advance of submitting a SAR you should note this in your report. Please avoid naming specific law enforcement officers, but do give details such as the law enforcement team and department name, as well as the operation name if known and/or any other investigation reference.

Subject of a previous SAR

- Any previous SAR reference number provided by the UKFIU must be included.
- Previous internal reference numbers should not be included.
- Under POCA and TACT, each SAR submitted on the same individual must contain a suspicion and all the relevant details, even if the reference number of the previous SAR is included.

SAR glossary codes/NCA Alerts

- SARs **should** include the relevant glossary code/alert reference in the 'reason for suspicion' text space.
- It is perfectly acceptable to have a SAR with several codes. If in doubt as to whether a particular code applies, always work on the basis that it is better to include one than not.
- It is possible that a glossary code does not match the set of circumstances faced by the reporter, so in some cases it is acceptable that no codes are populated into the 'reason for suspicion' text space.

Seeking a defence against a principle money laundering offence (DAML)

If one or more of the below criteria is missing from a SAR the UKFIU will be unable to assess the request and the case may be closed:

- a) The information which gives the basis for the reporter's knowledge or suspicion.
- b) A description of the property that the reporter knows, suspects or believes is criminal property.
- c) A description of the prohibited act that the reporter wants a DAML to carry out.
- d) The identity of the person(s) the reporter knows or suspects is involved in money laundering.
- e) The whereabouts of the property that the reporter knows or suspects is criminal property
- f) If (d) and/or (e) are missing, any information the reporter has which they believe or it is reasonable to expect them to believe may assist in identifying (d) and/or (e).

When seeking a DAML it is important to make clear what action you are being asked to perform and what are you seeking a defence against.

Examples and good practice

If a SAR relates to a professional enabler:

- the services being provided should be described e.g. "the professional services being provided are..." (e.g. accountancy insolvency, audit, company formation, property conveyance, legal services etc.).
- to be included:
 - the date of activity
 - how the activity will take place or has taken place
 - full identity, where known, of the other party/parties involved, including in particular, the type of professional services being provided e.g. solicitor, estate agent, accountant or company formation agent etc.
 - company particulars if known (e.g. companies house number, directors, beneficial owners)
- if the suspicion is that the services being provided appear to be intentionally or unintentionally facilitating the money laundering, this should be fully described (e.g. if you think that a client bank account has been used for money laundering state this)
- the indicators suggesting complicit criminal behaviour or negligent behaviour of the professional(s) involved should be described (e.g. if you consider weak anti-money laundering [AML] controls are a factor then this should be included in the SAR).

If the SAR relates to the purchase/sale of a property, the following should be included:

- the full identity, where known, of the other party or parties involved in dealing with the property. You should particularly include if they are providing professional services (e.g. solicitor, estate agent, accountant or company formation agent etc.).

Example 1

"We are Mr Z's accountants and noticed the issue on preparing the accounts."

- What is the issue the accountants have become aware of and when did this occur?
- Have there been any discussions with the client over this issue?
- Have there been any past irregularities?
- Is there a business involved?
- Is there a suspicion that money laundering is occurring?
- Are there reasonable grounds for suspecting any links to terrorist financing?

Example 2

"We are acting for the [main subject] in the re-mortgage of his property."

- No details as to what has caused the reporter to be suspicious about this.
- Are the suspicions regarding the main subject?
- What is the amount of the criminal property value?
- What is the address of the property?
- Who is the other party or parties and are there any other professional services
- individuals or firms linked to this transaction.

Example 3

"Documents disclosed with court proceedings."

- No explanation or précis of the documents.
- What was contained within to arouse suspicion?
- What is the amount of the criminal property value?
- Any links to previous SARs?

Example 4

"I am suspicious because the police have informed one of our financial crime units that our customer is using a false identity. Therefore, we are submitting a SAR."

- What is the reporter's business relationship with the individual?
- Has the reporter reviewed the account?
- Does the reporter believe the customer used false information to set up this account?
- Do they have a particular suspicion around their activities?

Contact details

NCA UK Financial Intelligence Unit

For information or assistance with submitting SARs or SAR Online enquiries, the UKFIU can be contacted as follows:

Tel: 020 7238 8282

This is a voicemail service only; please leave a message including the date, time, your contact details and the nature of your enquiry and a member of the team will get back to you.

Email: ukfiusars@nca.gov.uk

All DAML request queries are only dealt with via email. Should you have any queries email DAML@nca.gov.uk