FIAU

Guidance Document on

Reporting through goAML

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GLOSSARY

AML	Anti-Money Laundering
PMLA	Prevention of Money Laundering Act
PMLFTR	Prevention of Money Laundering and Funding of Terrorism Regulations
FIAU	Financial Intelligence Analysis Unit
SP	Subject Persons
STR	Suspicious Transaction Report
SAR	Suspicious Activity Report
PEPR	Politically Exposed Person Report
PEPTR	Politically Exposed Person Transaction Report
TFR	Terrorism Financing Report
TFTR	Terrorism Financing Transaction Report
AIF	Additional Information File
TRN	Transaction Report

1. REPORTING TRANSACTIONS CONNECTED TO IRAN THROUGH goAML

The Financial Intelligence Analysis Unit (FIAU) is issuing this guidance note to SP to clarify and assist with the reporting of transactions connected to Iran by means of the goAML platform.

The FIAU issued a Directive on 17 December 2019 in terms of Article 30C of the Prevention of Money Laundering Act (PMLA), which applies to all SP as defined by Regulation 2(1) of the Prevention of Money Laundering and Funding of Terrorism Regulations (PMLFTR), with regards to SP dealing with natural or legal persons having connections with Iran. This Directive no longer applies and has been replaced by the Notice the FIAU had issued on 25 February 2020.

The Directive was withdrawn and the provisions of Regulation 11(2) of the PMLFTR, have now come into force instead. Due to this and until further notice from the FIAU, Iran is to now be considered as a jurisdiction for which there has been an international call for counter-measures (i.e.: an FATF 'Category 1' jurisdiction in terms of Chapter 8 of the Implementing Procedures Part I).

In order to comply with Regulation 11(2) of the PMLFTR, SP should:

1. Inform the FIAU of:
   a. Any existing business relationships connected with Iran;
   b. Any pending transactions connected with a Category 1 jurisdiction;
   c. Any requests to establish a business relationship or carry out a transaction (whether occasional or otherwise) connected with a Category 1 jurisdiction.

In addition, any transaction(s) connected with Iran, should include the provision of the following details:

   i. Full name and details of the customer and, where applicable, the beneficial owner, who has a business relationship or is carrying out an occasional transaction in the context of which transactions connected with Iran are to take place;
   ii. Details of any other known parties to those transactions;
   iii. The manner/channel through which the transaction is to be made;
   iv. The exact value of the transaction; and
   v. A description of the transaction, including its purpose and scope.

2. To inform the FIAU as to who the parent companies are in the case of companies or otherwise who exercises control or coordinates groups having branches or subsidiaries in Iran, to carry out increased external audits on the application of the group-wide AML/CFT policies and procedures by such branches or subsidiaries.

3. SP may only execute transactions connected with Iran if there is no written opposition by the FIAU within five (5) working days from when the aforementioned notification is sent to the FIAU. Provided that where it is not possible to refrain from carrying out the transaction, prior to informing the FIAU, the SP shall inform the FIAU immediately after the transaction is carried out.

The said **Directive** ultimately instructed SP to put forward the necessary information/notifications to the FIAU via email on: **analysis@fiaumalta.org**.

However, due to the introduction of the goAML platform as of 18 June 2020, SP are now being instructed (as of issue date of this Guidance Note) to submit the required information/notification to the FIAU through the goAML platform in line with Regulation 11(2) of the PMLFTR using a SAR report type. Notifications under Regulation 11(2) must therefore be made irrespective of whether or not there is a suspicion of money laundering, funding of terrorism or proceeds of crime.

Furthermore, it is also important to mention that SP outline the previously highlighted details included in the FIAU's Iranian Nationals Notice (Dated 25 February, 2020) through the goAML platform's designated fields accordingly.

Another requirement for SP is to highlight the reporting indicator in line with the nature of the transaction being reported. The FIAU has now made available to SP an additional report indicator dedicated to transactions in connection to Iran namely: "High-Risk Jurisdictions subject to a Call for Action". SP are required to select the aforementioned report indicator within the SAR report in conjunction with any other relevant indicators.

2. THE DIFFERENCE IN REPORT TYPES

Since going live with goAML in June 2020, the FIAU has been approached on various occasions to clarify the difference in report types.

The report types used in goAML consist of STR, SAR, PEPR, PEPTR, TFR, TFTR, AIF and TRN.

The different report types allow the FIAU to collate more detailed statistical information. This assists the Unit in the prioritising and timelier execution of its functions and allows for more detailed information to be sourced. This helps fine tune the various outreach initiatives undertaken by the Unit. In addition, the Unit has, on various occasions, been asked to provide very detailed statistical information. Without the introduction of these multiple report types and the more detailed reporting criteria, it would not be possible to respond to these requests effectively.

When to submit a STR?

The main components of an STR are 'Suspicion and Transaction'. An STR consists of a transaction or series of transactions which are deemed to be suspicious due to not being in line with the customer's known or expected transactional profile.

Ex 1. Customer deposits a onetime cash payment of EUR20K which is not observed to be in line with their known profile and offers no reasonable explanation for such deposit. All other transactions made by the customer are in line with their expected activity. In this case, SP should report only the suspicious transaction to the FIAU by submitting an STR regarding the EUR20K transaction. The remaining transactions should be submitted as an AIF.

Ex 2. Customer has an expected turnover of EUR20K per year. However, the transactional activity shows that the turnover of the customer adds up to EUR50K per year. In this case, the reporting entity should submit an STR with the FIAU, highlighting all the transactions carried out by the customer which total to the EUR50K.

Ex 3. Customer carries out a series of deposits which are not in line with their usual or expected activity. No explanation for this was provided. In this case, the reporting entity should submit an STR containing all the transactions made by the customer which gave rise to the SP's ML/FT suspicion. All other transactions made by the customer which do not give rise to suspicion of ML/FT should be submitted as an AIF.

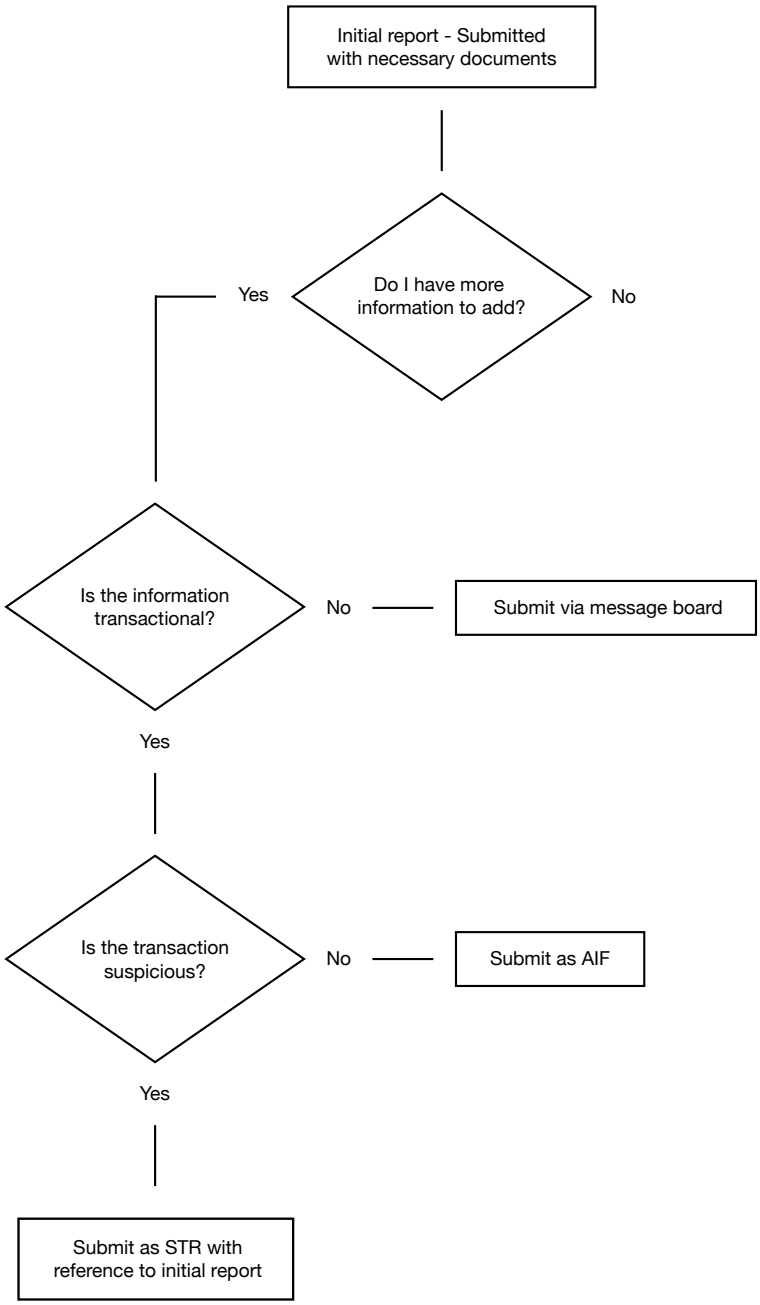
When to submit a SAR?

The main components of an SAR are 'Suspicion and Activity'. An SAR consists of transactional activity which is in line with the known or expected profile, but the customer displays behaviours which raise suspicion. Examples of this include but are not necessarily limited to;

- adverse information through open sources,
- refusal to provide requested documentation;
- Uncooperative behaviour.
- Becoming uncommunicative

In the event that such suspicious activity is identified during the initial stages of a business relationship (including during the on boarding stage) SP are to evaluate the information obtained and consider submitting a SAR.

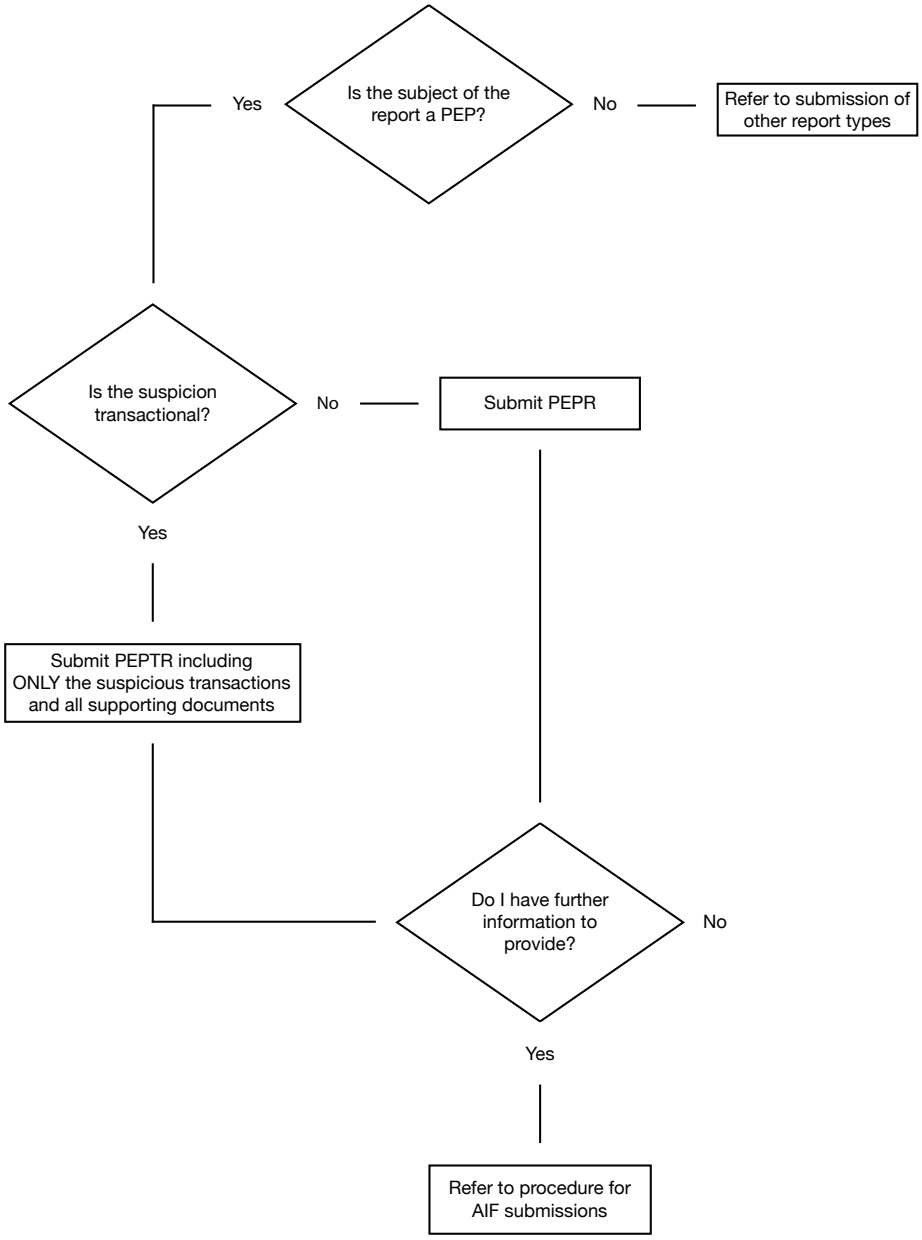
When to submit a AIF?



Ex 1. Customer's account activity is in line with their established profile however, adverse information was discovered through open sources. Although there is no transactional activity that is evidently linked to the adverse information found the SP should evaluate all the information held and obtained and consider submitting an SAR. In this case, the transactional activity, although not suspicious, should be submitted as an AIF.

Ex 2. Adverse information on a potential customer was identified at on boarding stage. As a result of this, the client was not on boarded. Although the business relationship was not established and no transactions took place, a SAR should be submitted given that it was on the basis of knowledge or suspicion of ML/FT that the SP did not on board the client.

When to submit a PEPR/PEPTR?



Ex 1. A foreign PEP set up a company in Malta. Although the transactional activity carried out within the accounts of this company were deemed to be in line with the expected business activity of the company, open source information indicated that the PEP was subject to an investigation on charges of corruption in his respective country. In this case a PEPR is to be submitted which is an activity based report and contains no transactional information. An AIF including all transactional activity is to be submitted in conjunction with the PEPR.

When to submit a TFR?

Terrorism Financing Reports are to be submitted when there is suspicion of terrorist financing activities. This report is predominantly activity based and the suspicion does not arise from the actual transaction(s). This report type does not allow for the inclusion of suspicious transaction reporting.

When to submit a TFTR?

This report is to be submitted when there is a clear suspicion of terrorist financing, however the suspicion emanated from a transaction or series of transactions carried out by the reported natural or legal persons.

3. SUBMITTING REPORTS VIA goAML IN LINE WITH REGULATION 15(4) OF THE PMLFTR

The Financial Intelligence Analysis Unit (FIAU) is issuing this guidance note to SP to advise them on the best practice to be adopted when submitting reports via goAML in line with Regulation 15(4).

Transaction Report (TRN) Category on goAML

The TRN category also prompts a pending transaction but such category shall be adopted in the following circumstances:

1. Where the SP has already submitted a report with the FIAU, however at a later stage, the SP was informed that the subject of the report wanted to move the funds. Thus, at this point in time the SP would be currently refraining from carrying out a transaction.

   In such circumstances, SP who have already submitted a report, need only submit a TRN report. The said TRN would be subsequently linked to the previous report and considered by the FIAU altogether. Additional documentation can also be submitted through the TRN report. In which case, there is no need to submit an Additional Information File (AIF).

2. Where the SP is faced with a pending transaction or otherwise as commonly referred to a transaction in line with Regulation 15(4) of the PMLFTR, than at that point in time the SP is to submit a report (i.e. PEPR, TFR, SAR, STR), choosing from one of the above highlighted categories. In turn, the SP has to also highlight the said pending transaction within the narrative of the report as well as part of the reporting indicators.

   In addition to the above, apart from submitting a report, a SP shall also submit a TRN report highlighting the amount of each pending transaction, the details to where the funds are moving to and also including an indicator. Once again, the said TRN would then be linked to the report and considered by the FIAU altogether. Additional documentation can also be submitted through the TRN report. In which case, there is no need to submit an AIF.

   It is imperative to highlight that a TRN report is to be submitted for each and very pending transaction faced separately.

   By way of Example: A client wants to carry out 2 transactions which are being considered as suspicious. Upon reviewing the account, other suspicious transactional activity is identified. In such case the SP should report the STR detailing the suspicious activity which already took place, an AIF with details of the account activity which was not suspicious, and 2 TRNs, one for each suspicious pending transaction.

Important

- It is important to mention that SP refraining from carrying out a transaction in line with Regulation 15(4) of the PMLFTR upon submission should provide the FIAU with the respective transactional details to where the funds are moving to, the suspicion identified in relation to the transaction being reported and any supporting documentation thereto.
- A report indicator needs to be created on all report types to be able to identify a pending transaction in the report in line with Regulation 15(4) of the PMLFTR.
- For the FIAU to be able to identify the quantity and value of all pending transactions, SP should report a TRN for every pending transaction in addition to the STR/SAR.

4. FURTHER CLARIFICATIONS IN RELATION TO XML UPLOADS

Introduction

The purpose of this guidance note is to provide further clarifications in relation to uploading transaction files through the goAML XML upload. This documents' primary focus will be on assisting SP in submitting the correct transactional data required by the FIAU with the aim of creating a clearer and uniform format of the XML Uploads.

The main focus will be primarily on the following criteria and field types: -

- Source party (from) types and Destination party types (account, entity and person)
- Transaction modes (ATM, Electronic transaction, In-Branch/Office, Other, Remittance)
- Beneficiary (to) Details (credit card number, account number, IBAN)
- Remote Gaming Accounts

Party Types: Source Party Types and Destination Party Types

Kindly find below examples of when “Account”, “Entity” and “Person” are to be used in the party type:

Transaction Mode	Source Funds Type	Source Party Type	Destination Party Type	Destination Funds Type	Transaction Description
ATM	CASH	PERSON	ACCOUNT	DEPOSIT	Cash deposit
ATM	WITHDRAWAL	ACCOUNT	PERSON	CASH	Cash Withdrawal
POS	ELECTRONIC FUNDS TRANSFER	ACCOUNT	ACCOUNT	ELECTRONIC FUNDS TRANSFER	POS Payments
ONLINE	ELECTRONIC FUNDS TRANSFER	ACCOUNT	ACCOUNT	ELECTRONIC FUNDS TRANSFER	Online Payments
IN-BRANCH/OFFICE	CHEQUE	ACCOUNT	ACCOUNT	DEPOSIT	In house cheque deposit
IN-BRANCH/OFFICE	CHEQUE	PERSON	ACCOUNT	DEPOSIT	Other cheque deposit
IN-BRANCH/OFFICE	CHEQUE	ACCOUNT	PERSON	CASH	In house encashing of cheques
IN-BRANCH/OFFICE	CHEQUE	PERSON	PERSON	CASH	Other encashing of cheques
REMITTANCE	MONEY ORDER	PERSON	ENTITY	ELECTRONIC FUNDS TRANSFER	Remittance not involving a bank, involving a money order to a company
REMITTANCE	MONEY ORDER	PERSON	PERSON	ELECTRONIC FUNDS TRANSFER	Remittance not involving a bank, involving a money order to a company
REMITTANCE	MONEY ORDER	ENTITY	PERSON	ELECTRONIC FUNDS TRANSFER	Remittance not involving a bank, involving a money order to a company
REMITTANCE	MONEY ORDER	ENTITY	ENTITY	ELECTRONIC FUNDS TRANSFER	Remittance not involving a bank, involving a money order to a company
ELECTRONIC TRANSACTION	ELECTRONIC FUNDS TRANSFER	ACCOUNT	ACCOUNT	ELECTRONIC FUNDS TRANSFER	Account to Account wire transfer such as a SWIFT payment – SP to include respective narrative

Important: Kindly note that following this guidance note a new value will be added to funds code "from_funds_code" and "to_funds_code" as indicated hereunder.

Value	Description
W	Withdrawal

Also, please note that the following will be added to transaction mode code ("transmode_code"):

Value	Description
G	POS
H	Online

The above can be used to specify POS and online transactions.

Counterparty Details

In cases of credit card payments:

- The Source Party Type and Destination Party Type should always be account to account;
- If the reporting entity is the credit card issuer, and the linked bank account is known, then all the details linked to the credit card should be included in the transaction details;
- If the reporting entity is not the credit card issuer, then the account details should only include the credit card number and any additional details on the merchant, if available. One has to keep in mind that any available data which could add value to the analysis would be appreciated; and
- The Source Party Name or Destination Party Name should always reflect the name of the Card or Account Holder.

It is pertinent to also highlight, that no field should be filled in with a constant value such as "000" or "N/A" as this does not represent any information and would not add value to the analysis. Furthermore, the data inputting in such fields will be incorrect. If for instance five different accounts have "N/A" as source party name, than when a search is carried out by "N/A" from an analyst's perspective, more than one account will be linked to the person "N/A". As a result, the inputted data is invalid, incorrect and useless given that it will ultimately portray the wrong classification and aggregation of data.

In relation to account details, if the reporting entity is the account issuer, then ALL DETAILS related to the account should be updated thus, account name, primary account holder, signatories, dates, balances, account type etc.

Remote Gaming Accounts

Although transactions which are carried out in remote gaming accounts differ from credit/ financial institutions, fields **should not** be filled up as follows: "unknown", "N/A" and "000". A remote gaming account should still be considered as an "account" party type, with the details being the remote gaming account number. Source or Destination Party Types should reflect the account, wallet or credit card from where funds are being deposited from or otherwise withdrawn to respectively.

With respect to the gaming history / betting history, please send such in excel format and only submit transactional data in XML for deposits/withdrawals in the gaming account.

What is the difference between currency_code_local in report_node and currency_code in t_account node. And when do we use the foreign currency node? This question is referring to the difference between the currency at the top of the report vs the account currency.

The currency_code_local is stored in the c_application_defaults table as serves as the base currency of the country. It is auto-populated in a web report at the time of report creation. The currency code at the account level is the currency of the account. One can open a USD account at any bank in Europe so the currency code at account level serves that purpose. The foreign currency node is used when a transaction for example, is carried out in another currency compared to the currency of the account's currency. In this case, the RE must report the transaction with its actual details including the use of foreign currency along with the rate of conversion on that particular day.

Rejection Rules

Local Currency Code ("currency_code_local")

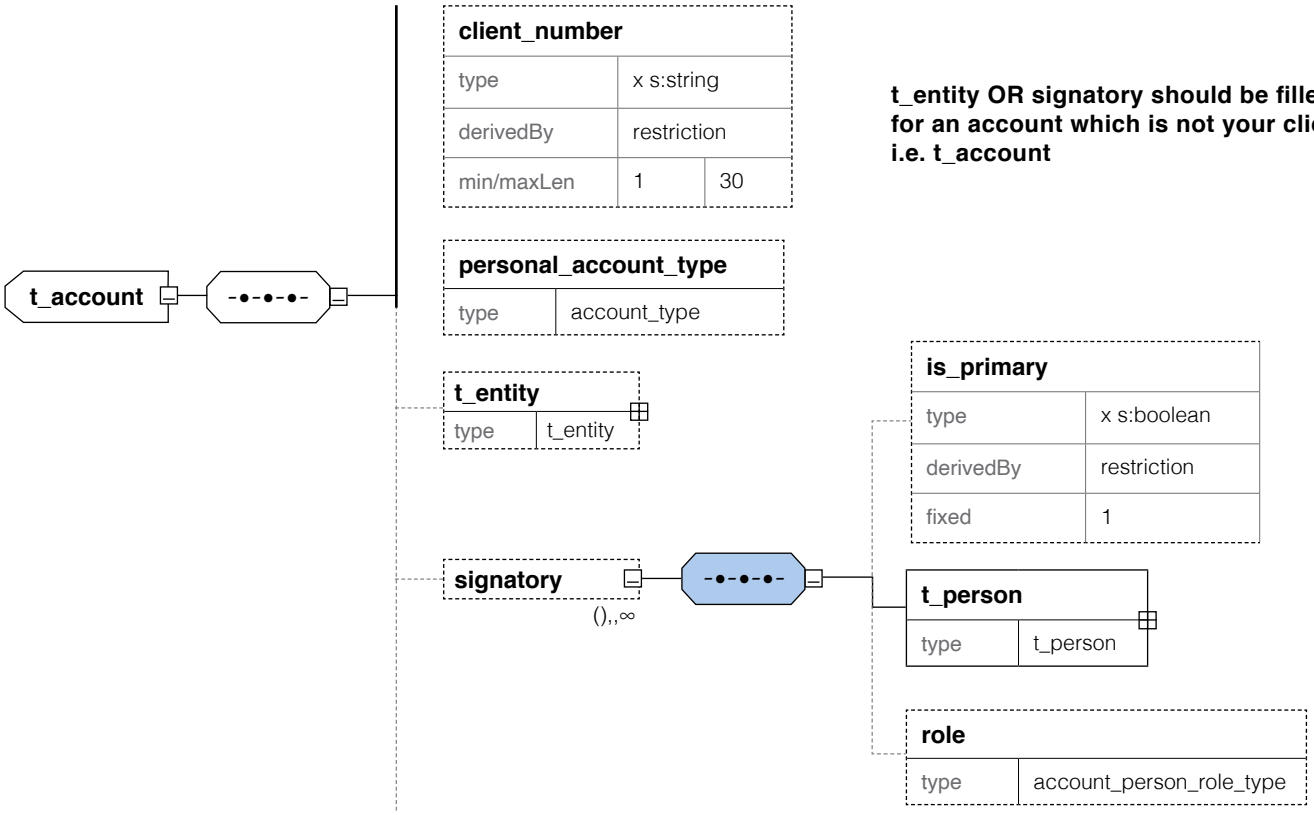
It is important to note that as also highlighted in the technical documentation provided on the goAML portal, the field named "currency_code_local" should always be EUR, in the case this is provided as another currency via XML than the report will be marked for rejection automatically.

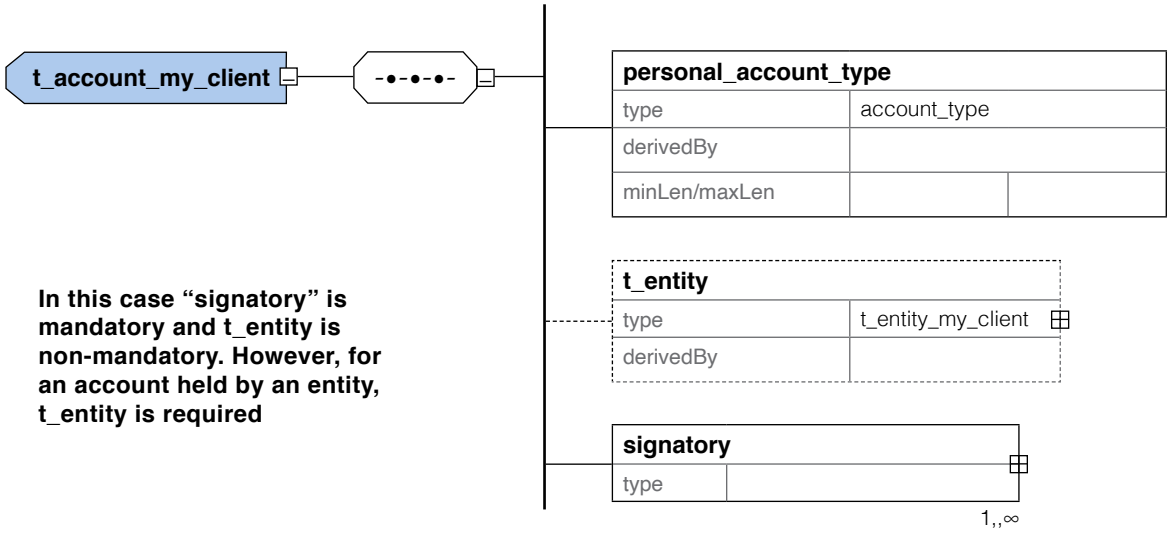
Banks and Financial Institutions Issuing IBANs

In case of transactions involving the "Account" party type either for destination or source should always include the account holder of the account. In the case of an entity holding the account "t_entity" should be filled with at least the mandatory fields which depend on whether the account pertains to the reporting entity's client or not.

If the account is held in the name of a natural person than "signatory" should be filled in as indicated in the charts hereunder. For accounts which are listed as not the reporting entity's client (i.e. t_account) than a signatory or an entity is required on submission.

For accounts which is a client of the reporting entity (t_account_my_client), signatory is a mandatory field, however if the account is held by an entity, "t_entity" would be required.





Report Indicators

In case of reports with no indicators (node: "report_indicators"), the FIAU will automatically mark this report for rejection. Report indicators are extremely important in order to prioritise reports, identify particular typologies and for statistical purposes amongst many other reasons.

This rejection rule will be applied to all report types **except** AIFs.

Other Remarks

- Apart from what was highlighted earlier on, further distinction needs to be made between the details provided in terms of 'Not My Client' and the 'My Client'. It is a known fact that the details and transactional data available for 'My Client' should be more in comparison to the details and transactional data pertaining to the 'Not My Client'.
- It is also pertinent to highlight that when submitting an AIF via the XML Schema, SP have to make sure to include the FIAUs reference number pertaining to the initial request for information or otherwise report.
- The goAML XML Upload has an embedded feature which allows more than one XML file to be uploaded together. This is possible by attaching and compressing each XML file into one ZIP file. ZIP files are used to group together XML reports and attachments to upload as one file. The files inside the zip file must be structured in a specific way to be accepted by the goAML Web application. The zip file must contain one of the following file arrangements

  - A single XML file with zero or more non-XML attachments
  - Multiple XML files with no attachments
  - One or more folders that each contain;
    One XML file with zero or more non-XML attachments

It is pertinent to also point out, that zipping multiple XML files is allowed and recommended ONLY in those instances where more than one XML file relates to the same FIAU reference.

In the case of any additional queries in terms of transactional activity reporting or otherwise XML Schema submissions, kindly refer to:

1. The Technical Documentation on the FIAUs website: **https://fiaumalta.org/report-a-suspicion/** or
2. Send the FIAU an email on: **goAMLsupport@fiumalta.org**, **goAMLtechnical@fiumalta.org** or **technical@fiumalta.org**

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Questions on this document or on the application of AML/CFT measures may be sent to **queries@fiaumalta.org**

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