



NCA

National Crime Agency

Guidance on submitting better quality Suspicious Activity Reports (SARs)

This is a United Kingdom Financial Intelligence Unit (UKFIU) product. It is aimed at all reporters of SARs and is produced in line with the National Crime Agency's commitment to share perspectives on the SARs regime.

May 2020

v4.0

Purpose

This document aims to provide all reporters with guidance on how to submit better quality SARs to the NCA. It should be read in conjunction with guidance found on the NCA website – www.nationalcrimeagency.gov.uk

Relevant documents include:

- Introduction to SARs
- SARs Frequently Asked Questions
- Reporting via SAR Online
- Submitting a Suspicious Activity Report (SAR) within the Regulated Sector
- Requesting a defence under POCA and TACT
- Suspicious Activity Report (SAR) Glossary Codes and Reporting Routes
- SARs Reporter Booklets.

If all of the following good guidance is followed, it will enable the UKFIU and law enforcement agencies (LEAs) to gain a fuller picture of:

- who is doing what
- who they are/were doing it with
- when they are/were doing it
- why they are/were doing it
- where they did it
- how they are doing it.

It will also allow for the prioritisation of SARs requesting a defence against money laundering (DAML) or investigations in a timely manner.

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

Remember: all reporters (whether in the regulated sector or not) should submit a SAR under either the Proceeds of Crime Act 2002 (POCA) or Terrorism Act 2000 (TACT) which set out a number of defined criteria including:

- the reason for suspicion
- a description of the property concerned (including value where possible)
- the prohibited act that they wish to carry out.

In addition, those in the regulated sector (as defined by the Money Laundering Regulations 2017) have additional requirements under POCA including:

- providing the identity of the persons involved
- the whereabouts of the criminal property and/or
- any information they have which they believe or it is reasonable to expect them to believe may assist in identifying these.

Ensure you submit the SAR under POCA or TACT, depending on the nature of your knowledge, belief or suspicion.

If you are unsure if your firm is in the regulated sector consult your regulator, professional body or trade association, or seek independent legal advice.

Contents

Crime reporting	4
Section 1: how to submit a SAR	6
• SAR Online	6
• Advantages of SAR Online	6
Section 2: basic structure of a SAR	6
• Be clear and concise	7
• Reason for suspicion	7
• Completing all SAR information fields: individuals, businesses/trusts/other entities	8
• Addresses	10
• Financial transactions	11
• Source type field	12
• Subject of a previous SAR	12
• SAR glossary codes	13
• Attachments	13
• Alerts and keywords	14
• Court orders and law enforcement enquiries	14
Section 3: obtaining a defence against money laundering or terrorist financing	14
• Closure of cases	15
• Threshold variations – POCA only	16
Section 4: general guidance	17
• Submission of SARs	17
• Reporting requirements on international standards	17
Section 5: contact details	18
Section 6: good practice tips	19
Section 7: examples	21
Section 8: SAR glossary codes	23

Crime reporting

The SARs regime is **not** a route to report crime or matters relating to immediate risk to others.

The SARs regime is for reporting knowledge or suspicions of money laundering, or belief or suspicions relating to terrorist financing.

As such, **in addition** to a SAR, you may have to report the matter via other routes to ensure the right information gets to the right organisation.

Where you do report a crime alongside a SAR it is good practice to include the crime reference and the organisation details in the SAR.

The UKFIU document 'Suspicious Activity Report (SAR) Glossary Codes and Reporting Routes', available on the NCA website, provides details of organisations to report to.

Does the money laundering/terrorist financing relate to a **vulnerable person at risk of immediate harm**?

- Call the police on 999.
- To report a fraud, contact Action Fraud (http://www.actionfraud.police.uk/report_fraud or call 0300 123 2040).
- To report other crime ring 101.
- Include SAR glossary code XXV2XX in any SAR relating to money laundering/terrorist financing concerning vulnerable people.

Does the money laundering/terrorist financing relate to a **child at immediate risk of harm, including sexual exploitation and abuse**?

- Call the police on 999.
- Include SAR glossary code XXV3XX in any SAR relating to money laundering/terrorist financing concerning child exploitation.
- If you wish to report the abuse of a child please follow the guidance at <https://www.gov.uk/report-child-abuse>
- If you want to report suspicious behaviour online with or towards a child, use the Child Exploitation and Online Protection (CEOP) Centre online report form (<https://ceop.police.uk/report-abuse/>).
- If you want to report illegal content online report to the Internet Watch Foundation (<http://www.iwf.org.uk/>).

Do you suspect **modern slavery/human trafficking**?

- If there is an immediate risk of harm call the police on 999.
- If not immediate consider using the Modern Slavery website (<https://modernslavery.co.uk>) or reporting via 101.
- Include SAR glossary code XXV2XX in any SAR relating to money laundering/terrorist financing. Also use code XXOICXX when related to organised immigration crime.

Does the laundering relate to **fraud against the private sector**?

- Report to Action Fraud.
- Use SAR glossary code XXF9XX in any SAR relating to laundering/terrorist financing.

However:

- If you wish to report business or personal tax fraud you should do so to HM Revenue & Customs via <https://www.gov.uk/topic/dealing-with-hmrc/tax-compliance>
- Additionally, to report benefit fraud, do so to the Department for Work & Pensions via <https://secure.dwp.gov.uk/benefitfraud/>

Do the circumstances relate to the **supply of firearms**?

- If there is an immediate risk of harm ring the police on 999.
- Report non-emergency offences via 101.
- Use SAR glossary code XXFIREXX in any SAR relating to money laundering/terrorist financing.

Do the circumstances link to **organised immigration crime**?

- Report non-emergency offences via 101 or via the Home Office (<https://www.gov.uk/report-immigration-crime>).
- Use SAR glossary code XXOICXX in any SAR relating to money laundering/terrorist financing.

Do the circumstances link to **the supply of illegal drugs**?

- Report non-emergency offences via 101.
- Use SAR glossary code XXDRUXX in any SAR relating to money laundering/terrorist financing.

The NCA is not a crime reporting agency.

If the funds involved are not yet the proceeds of crime then it is not money laundering, but attempted fraud.

Section 1: how to submit a SAR

SAR Online

SAR Online is designed to allow SARs to be constructed and submitted in a secure manner.

SAR Online is available via a link in the top right hand corner of the NCA website or at www.ukciu.gov.uk/saronline.aspx

- To register, new users require an active email account, which becomes the user's SAR Online user identification.
- No two users can use the same email address.
- It is recommended that the registering user be an official responsible for Anti-Money Laundering (AML) compliance within the organisation (this could be the Money Laundering Reporting Officer [MLRO], Nominated Officer or similar).
- Ensure that you register yourself correctly i.e. aligned to the correct sector and regulator/supervisor.

Advantages of SAR Online

- Free and secure system.
- Negates the need for paper-based reporting.
- Once a report is submitted, an acknowledgement with a unique reference is sent via email.
- Reports can be made 24/7, provided the reporter has an email account and internet access.
- Help text is available on every page.
- Pop-up tips are available on some pages.
- SARs can be marked as private to an individual user.
- Shared viewing/editing is available where appropriate.
- A Frequently Asked Questions (FAQ) document is available.
- A link providing background information on financial reporting is available via the SAR Online home page.

Section 2: basic structure of a SAR

There are a number of fields to be completed. Please follow the below process:

- As much information as possible should be completed in the data fields.
- SARs should contain all available Customer Due Diligence (CDD) information.
- Dates of birth are a vital field for identifying individuals correctly.
- In addition to the 'reason for suspicion', fully populate all of the other information fields.
- Use the word '**UNKNOWN**' to make it clear if you do not know the information for a particular SAR field. Do not use * (asterisk), ? (question mark), . (dot) or leave blank – only use 'UNKNOWN'. Using such characters hinders UKFIU/LEA analysis, as it is unclear whether the reporter has entered them in error.

Completing fields of information in a SAR not only assists in ensuring that any research or development of SARs is accurate from the offset, but also ensures that further subject matching is accurate.

Missing or inaccurate information:

- limits analysis opportunities
- has a negative impact on identifying the subjects correctly
- reduces the overall effectiveness of the SAR.

Be 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.

- Structure your report in a logical format including all relevant information.
- Briefly summarise your suspicion.
- Provide a chronological sequence of events.
- Keep the content clear, concise and simple.
- Avoid acronyms and jargon – they may not be understood by the recipient and are open to misinterpretation.
- If describing a service provided or technical aspect of your work, please provide a brief synopsis in your SAR to aid the reader.
- Do not write the SAR in capital letters – this makes it very difficult to read.
- If including a large amount of information/text, break it up into more manageable – and readable – paragraphs.
- Very long SARs which are text heavy are difficult to digest.
- Use punctuation.
- Separate bank account/transaction information and use 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, approximately 1,500 words) try to answer:

- **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** you are suspicious or have knowledge.

Suspicion is a very important factor when seeking a request against a money laundering offence; it is also important from an analytical point of view.

The bulk of analysis focuses upon the free text searching of keywords in this field. Whilst it is acknowledged that no fields are currently mandatory this field should be completed providing accurate details.

While the UKFIU appreciates it is more time-consuming, it is important that details are completed within the appropriate SAR Online fields and **not** solely placed within the 'reason for suspicion' field. This is very important as it enables UKFIU systems to link the same entities submitted by a variety of reporters, especially bank account details.

Step 1 – start with a SAR glossary code (see page 13) at the beginning of your text.

Step 2 – initially provide a brief summary to highlight the key element of your suspicions, e.g.:

XXPROPXX I am submitting this SAR as the client is purchasing a property and I have concerns relating to the origin of the funds coming from overseas relations. The circumstances of my money laundering suspicions are that ...

XXD9XX XXD7XX The customer is linked to adverse media and is believed to be engaged in disguising, converting, concealing and transferring funds from the proceeds of crime and corruption. He is an international PEP.¹ The circumstances of my money laundering suspicions are that ...

Examples of the kind of text to use when no SAR glossary codes apply can be found on page 13:

Step 3 – consider if there is any other useful information to add.

Step 4 – the 'reason for suspicion' should conclude with the intended action e.g. exiting relationship, monitoring the customer, continuing the relationship etc.

Completing all SAR information fields

Alongside completing the 'reason for suspicion' you should complete as fully as possible all the information known from your due diligence into the other SAR fields.

The amount of information you have may depend on your relationship with the reported subject.

If you do not know the information please populate the field with 'UNKNOWN'.

Individuals

Include the following identifying information:

¹ Politically exposed person.

- Full name/s
- Date of birth
- Nationality
- Address – including postcode (use the format SW1A 1NT).

If you have the following information include it in context with your suspicion:

- Identification document details (including relevant reference or document numbers) e.g. passport, driving licence, National Insurance number
- Car details (registration number)
- Telephone numbers (clearly marked home, business, mobile etc.)
- Full details of bank accounts or other financial details (including account numbers etc.) Use the standard format sort code account format as 012345 12345678.
- Occupation.

Providing details of the main subject's occupation assists with:

- judgments about the origin of funds
- whether the subject is using professional knowledge to facilitate money laundering, including identifying whether there are opportunities to engage with regulators and supervisors.

It is appreciated that you may not always have the full details concerning all of the entities involved, especially where you are reporting on subjects that are not your usual clients/customers/suppliers.

Businesses, trusts and other entities, incorporated and unincorporated

The amount of information you have may depend on your relationship to the reported subject. Where details are **not** known then the relevant field should include the phrase 'UNKNOWN'.

Incorporated

Include all identifying information such as:

- full legal name
- designation e.g. Limited, LLP, SA, GmbH, SARL
- trading name
- registered number
- VAT and/or tax reference number
- country of incorporation
- details of beneficial ownership.

If relevant to your suspicion also provide details of:

- the individuals/entities that are the directors (or equivalent)
- the individuals who own/control/exercise control over the management of the entity.

Unincorporated

Include all identifying information such as:

- full name
- designation e.g. Limited, SA, GmbH
- trading name
- registered number
- VAT and/or tax reference number
- country of incorporation.

If relevant to your suspicion also provide details of all partners/principals who own/control/exercise control over the management of the entity.

Trusts

Include all identifying information such as:

- full name of the trust
- address
- nature and type of the trust.

If relevant to your suspicion also provide details of all trustees, settlors, protectors and known beneficiaries.

Addresses

The UKFIU uses postcodes to allocate SARs to the appropriate LEAs. Such allocations offer opportunities to take action and/or build an intelligence picture. Postcodes and international addresses are also a crucial element in analysis of trends, in particular in identifying hotspots of activity.

- The postcode and full address of the main subject should always be included where known. Use the format SW1A 1NT.
- Clarify the status of the address i.e. current, previous, residential, business, trading, registered office etc.
- Where the details of a victim are known, in particular a vulnerable person, the postcode and full address should also be included in the 'additional address' field.
- In all international address cases, whether it be a suspect, associates or the subject and/or a victim, always ensure that at least the country field is populated. Provide as much detailed information as possible.

The below are examples incorporating the above guidance:

Example 1 – all fields completed

Name: John SMITH **DoB:**² 01/01/1975 **Address:** 1 George St, Any Town
Postcode: 1AM BAD **Occupation:** Plumber **Nationality:** UK

Example 2 – some fields completed

Name: John SMITH **DoB:** 01/01/1975 **Address:** 1 George St, Any Town
Postcode: 1AM BAD **Occupation:** UNKNOWN **Nationality:** UK

Example 3 – some fields completed (the subject is an unknown third party and due diligence is unable to ascertain key information other than surname)

Name: SMITH **DoB:** UNKNOWN **Address:** UNKNOWN **Postcode:** UNKNOWN
Occupation: UNKNOWN **Nationality:** UNKNOWN

Financial transactions

When the suspicion being reported relates to a financial transaction:

- include the relevant details of the beneficiary/remitter of the funds
- include, if known, the destination/originating bank details e.g. sort code, correspondent bank details (**this is very important as it could identify the offender**)
- accurately record the date on which the transaction has occurred/will occur
- clarify the type of transaction e.g.:
 - online payment/receipt
 - debit or credit card
 - ATM withdrawal
 - cheque
 - electronic transfer (BACS/CHAPS)
 - cash
- explain why any transactions included are considered to be suspicious
- (if relevant to your business) include the subject's financial details (account numbers) and details of associates
- summarise cash amounts at the end of the report.

If you are suspicious because the activity deviates from the normal activity for that customer/business sector, briefly explain how the activity differs.

² Date of birth.

If the beneficiary/remitter of the transaction is believed to be complicit in the suspicious activity then consider providing their details as an associate subject.³

If the activity does not involve a financial transaction please explain the suspicious activity that has occurred/will occur.

On SAR Online there are fields for documenting specific financial transactions. It is important that you use these, formatted correctly e.g. using the standard format sort code account format 012345 12345678.

Inconsistent recording and formatting of bank account/sort code numbers often cause search problems for the UKFIU/LEAs.

Source type field

Source type refers to the sector which the submitting reporter is from. This field helps analysts provide strategic and tactical assessments which are mutually beneficial to all stakeholders in the SARs regime.

Reporters classifying themselves as 'other' or 'unknown' when they actually fit into existing source types devalue any sector breakdowns. There have also been cases of reporters wrongly classifying themselves.

Where the regulator is clearly known, the reporter should ensure this is included to allow the SAR to be attributed to the correct sector.

Subject of a previous SAR

If the reported subject (e.g. client/customer) has been the subject of a previous SAR submitted by your organization, please:

- include up to three previous SAR reference numbers provided to you by the UKFIU. This will be sufficient – we can then work back as necessary until we find the first one.
- do not include any internal reference numbers which you may use yourselves.

The absence of previously submitted SAR reference numbers risks the connection between SARs being missed.

³ An associated subject is a person/entity linked to the main person/entity in some direct way and is involved in the suspicious activity.

SAR glossary codes

The use of SAR glossary codes is considered good practice and allows the UKFIU and wider law enforcement to:

- conduct analysis to identify money laundering trends
 - identify high risk cases for development
 - take immediate action where necessary.
- When submitting a SAR, the relevant glossary code should be included in the 'reason for suspicion' text space.
 - It is 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.

A copy of the glossary codes can be found on page 23 of this document; however, the UKFIU would urge reporters to regularly check the NCA website to see if they have been updated.

Examples of the kind of text to use when referring to codes in the 'reason for suspicion' field can be found on page 8.

Examples of the kind of text to use when no codes apply might be:

No code applies. The report is submitted for the following reason: As per the customer's records, their estimated annual income is approximately GBK 250K and they are receiving regular benefits therefore the credit of GBP 250K is well outside their expected profile and affordability. The circumstances of my money laundering suspicions are that ...

No code applies. This SAR relates to a regular customer attending our premises and gambling large values. Our records show they are unemployed so we are concerned about the source of funds. The circumstances of my money laundering suspicions are that ...

Attachments

Do not send attachments with your SAR – all the relevant information should be within the SAR.

If further information is available which you are willing to share with an LEA then reference to this and who to contact may be recorded in the SAR.

Alerts and keywords

The Alerts process is a recognised and established way by which the NCA communicates with the UK's private sector. These are written communications that warn of a specific risk/threat/problem. All Alerts contain a keyword or a glossary code. If you submit a SAR as a result of the information contained in an Alert please include the keyword within the free text field.

SAR glossary codes are different to NCA Alert codes. SAR glossary codes are always prefixed and suffixed with 'XX', whereas Alert codes use 'FF' or 'AA'. If appropriate, the NCA Alert code should be used **in addition to** the relevant SAR glossary code/s in the body of your SAR text.

Court orders and law enforcement enquiries

In some instances, you may be served with/have notice of a court order (such as a production order) made in respect of a particular individual/entity. This may act as a catalyst for you to review the activity which you conduct/have conducted in relation to that individual/entity.

If, following such a review, you feel there is an obligation to submit a SAR or request a DAML, then the SAR/DAML request should reflect your suspicions in the context of your engagement with the subject.

Section 3: obtaining a defence against money laundering or terrorist financing

The NCA can provide a reporter with a defence against the principal money laundering or terrorist financing offences, for a specified future activity. The relevant power is contained in s335 of POCA (seeking 'appropriate consent') and s21ZA of TACT (seeking 'prior consent').

Should you wish to avail yourself of a defence, you should refer to the UKFIU document 'Requesting a defence under POCA and TACT' on the NCA website; this provides information on the process.

- When using SAR Online, ensure you tick the box marked 'consent' when completing your SAR. This applies to requesting a defence under either Act.
- Clearly specify the activity for which a defence is required.

The UKFIU's DAML Team deals with these requests under POCA or TACT. Should you have any queries email DAML@nca.gov.uk

In addition to the required information, requests for a DAML must:

- be for a specified activity (or specified series of activities)
- should not be open-ended (such as seeking a defence in relation to "handling all business dealings" concerning the subject or account).

You may wish to consult your AML supervisor or trade body if you require any further guidance about your obligations to prevent money laundering and terrorist financing.

Please note: a defence under s335 or s21ZA:

- does not imply NCA approval of the proposed act(s), persons, corporate entities or circumstances contained within your disclosure
- should not be taken as a statement that the property in question does or does not represent criminal property
- does not absolve you of your professional duties of conduct or regulatory requirements
- does not provide you with a defence against other criminal offences relating to the proposed act
- does not oblige or mandate you to undertake the proposed act
- does not override the private law rights of any person who may be entitled to the property specified in the disclosure.

The below is an example of the kind of text to use when requesting a defence:

XXS99XX This SAR seeks a defence to a money laundering offence in relation to our suspicion of money laundering. The circumstances are ...

Closure of cases

POCA sets out that the NCA must exercise its functions under the Act in the way which it considers is best calculated to contribute to the reduction of crime. Where a reporter displays conduct – such as failing to undertake basic regulatory obligations – and this conduct could be condoned or encouraged by receiving a ‘granted’ DAML response from the NCA, the UKFIU will consider closing the case.

The UKFIU may also refer poor quality SARs to the relevant AML supervisor for their attention and appropriate action.

Where your case is closed you will need to resubmit any request for it to be considered again.

The UKFIU DAML Team cannot interpret, assume or infer what money laundering offence the reporter believes they may be committing.

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

- a) The information or other matter 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).

d), (e) and (f) are mandatory if the knowledge or suspicion has come to the reporter in the course of business in the regulated sector.

Remember:

- All requests should explicitly state what activity the reporter is carrying out, and for which the NCA is being asked to provide the reporter with a defence to the money laundering offence for that specified future activity.
- Best practice is to avoid using terms such as “we wish consent to proceed” or “we wish consent to act for our clients”.
- Be specific about the work you are undertaking for your customer/client which you believe you will require a defence to money laundering for e.g.:
 - “to buy/sell the property at (address) for (value amount)”
 - “to disburse the funds between the following people ...”
 - “to buy/sell the (named company)”
 - “to draw up contracts between party X and party Y, transfer the ownership of the (named company) to party Y, and transfer the (value of funds) to party X which is all part of the arrangement”
 - “to release the funds in account A to person B”.

Threshold variations – POCA only

S339A of POCA makes provision for deposit taking institutions only to process individual transactions or activity on an account that do not exceed £250, and where there is a suspicion of money laundering – without the need to request a defence under s335 to a principal money laundering offence. The £250 is known as a ‘threshold’ amount.

The reporter should still consider making a disclosure in respect of the initial opening of an account. Or, if different, the time when the deposit-taking body first suspects that the property is criminal property.

If the proposed activity exceeds £250, permission to vary the ‘threshold’ amount can be requested from the NCA.

If you are submitting a SAR with a threshold variation request, submit the SAR in the normal way with the usual information, but additionally specify:

- the threshold amount sought
- the account it relates to
- details of the frequency, nature and value of the activity to which the threshold will relate.

If a threshold is already in place and you wish to seek a further variation to the amounts and/or accounts to which it refers, then the reasons for the variation will need to be set out in an additional SAR and submitted to the NCA.

Please note:

A threshold variation request is **not** the same thing as a request for a defence to a principal money laundering offence, and there are no statutory timescales for dealing with them.

The NCA uses the DAML Team to progress these responses and they are processed alongside, but do not take priority over, requests for a defence. In order to facilitate a threshold request, and to ensure it reaches the right destination in the UKFIU, tick the 'consent' box on the SAR, **but make sure** the report contains the word **threshold** in the 'reason for suspicion'.

Section 4: general guidance

Submission of SARs

The UKFIU is aware that some reporters send SARs to law enforcement in parallel or send copies of SARs in advance of submitting to the UKFIU.

You are required under POCA and TACT to submit to the UKFIU. In order to meet your reporting obligations you **should not** submit to another law enforcement body.

SARs are allocated by the UKFIU to law enforcement based on different parameters. Therefore parallel sending SARs to law enforcement can result in duplication of effort outside the control of the UKFIU and can, in some instances, potentially undermine confidentiality of the SAR and compromise law enforcement activities.

If you are engaged with law enforcement in advance of submitting a SAR you should note this in your report – but avoid naming specific law enforcement officers in the SAR.

Reporting requirements on international standards

The decision to submit a SAR under POCA or TACT is entirely for the reporter to make on a case by case basis. Given the increased risk associated with some countries and the information available on listed individuals/entities and their associates, it may be prudent to consider whether you have an obligation to submit a SAR to the NCA, where possible money laundering or terrorist financing activity may be taking place.

It is a **separate obligation** to that of reporting the individual to HM Treasury. A DAML only provides a reporter with a defence against a prohibited act, i.e. one of the money laundering offences under POCA or TACT. It does **not** provide a defence for a breach/circumvention of sanctions.

Remember

- SARs should not be used as a communication channel e.g. as a means of obtaining advice. SARs are only for reporting suspicious activity to the NCA. If you need general guidance about money laundering or the SARs regime in particular, contact your designated MLRO or your regulatory body.
- The UKFIU has no mandate to advise reporters on the approach or actions they should take to mitigate particular risks or to advise that property is/isn't the proceeds of crime or terrorist financing.
- Where information is known, every effort should be made to complete all relevant fields accurately.
- Ensuring the information you submit is accurate will assist with law enforcement's actioning the SARs more efficiently – check spellings of names, make sure you have the correct postcode, account details etc.
- If you do not know details of a specific entity e.g. address, date of birth, etc. please enter the word 'UNKNOWN' rather than leaving the field blank or populating it with characters such as * (asterisks), ? (question marks), . (dots) or other.
- Do not put reporting officers' details in a SAR.

Section 5: 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

Section 6: good practice tips

Always

- identify as clearly as possible the suspected benefit from criminal conduct (the 'criminal property') including, where possible, the amount of benefit
- identify the reason(s) for suspecting that property is criminal property
- identify the proposed prohibited act/s you seek to undertake involving the criminal property
- identify the other party/parties involved in dealing with the criminal property, including their dates of birth and addresses where appropriate (such information should be held routinely by reporters in the regulated sector to comply with the requirements of the Money Laundering Regulations)
- describe fully the reasons for suspicion in relation to money laundering. As a basic guide, wherever you can, try to answer the following six basic questions to make the SAR as useful as possible: Who? What? Where? When? Why? How?

If your SAR relates to the purchase/sale of a property include:

- the full address of the property and postcode
- the value of the property
- the date of activity
- how the activity will take place or has taken place
- the full identity, where known, of the other party/parties involved in dealing with the property, including, in particular, if they are providing professional services e.g. solicitor, estate agent, accountant or company formation agent etc.

If your SAR relates to a vulnerable person:

- describe fully the vulnerabilities that you believe suggest the person cannot protect him/herself against exploitation e.g. do your concerns relate to what appears to be mental, physical or learning disability, or an illness related condition?
- describe if law enforcement or other agencies are aware of the circumstances (if so, include that organisation's reference numbers, details of the officer contacted etc.)

If your SAR relates to a professional enabler:

- describe the services being provided e.g. “the professional services being provided are...” (e.g. accountancy insolvency, audit, company formation, property conveyance, legal services etc.)
- include:
 - the date of activity
 - how the activity will take place or has taken place
 - full identity, where known, of the other party/parties involved in, including in particular, the type of professional services being provided e.g. solicitor, estate agent, accountant or company formation agent etc.
- describe if suspicion relating to the services being provided appear to be wittingly or unwittingly facilitating the money laundering described
- describe the indicators suggesting complicit criminal behavior or negligent behavior of the professional(s) involved.

Section 7: examples

The following are sanitised examples of SARs lacking examples of the above:

Example 1

"It has come to our attention that payments totaling £6,666 credited to this account numbered XXXXXX, held at sort code XX-XX-XX, were fraudulent. We have concerns that our account holder may have been complicit in the deception."

What makes the reporter suspect the transaction was fraudulent?
How does the reporter know the account holder was complicit?
Have they previously seen this type of pattern with this client?
Is there other information which explains why they are complicit?

Example 2

"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 3

"Information has come to our attention that the main subject has been convicted of a drug trafficking offence."

How has this information come to the attention of the reporter?
When did the information come to the attention of the reporter?
What work does the reporter do for this client?
Are there any further suspicions or irregularities aside from the conviction?
What is the suspicion?
Is the suspicion related to money laundering or is there any suspicion of links to terrorist financing?

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?

Example 5

"Reason for reporting: statements show large payments to Y-type companies. High amount transactions continue over several months. Spends too high and frequent for personal used. Possible business use."

Why has the reporter submitted this report?

Does the reporter suspect their customer of money laundering or being involved in the financing of terrorism?

It reads as if the customer is using a personal account for business use. This does not appear to fall under legislation and is maybe a contractual issue rather than an issue of criminality or money laundering.

Some institutions submit a SAR for the wrong purpose e.g. misuse of bank account i.e. a personal account used for business transactions. These types of SARs will result in no police action being taken.

Example 6

"The reason for my suspicion is due to multiple third party transfers being paid into the account. Against these funds multiple cash withdrawals have been made. Funds are dispersed to multiple third parties. The source of funds being paid into the account is unknown and gives me cause for concern."

The reporter gives no justification as to what their concerns are.

Has the customer been contacted? If so, what was their response?

Over what period were the transfers made?

What was the value of each transfer?

How soon after the transfers were made were cash withdrawals made?

Example 7

"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?

Example 8

"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?

Section 8: SAR glossary codes (as of April 2020)

XXS99XX	Request for a defence under POCA
XXGVTXX	Request for a defence under POCA for £3,000 or less
Tick 'Consent' and submit under TACT	Request for a defence under TACT
XXPRFXX	Relates to person(s) providing professional services or specialist knowledge that wittingly or unwittingly facilitates money laundering
XXTBMLXX	Trade-based money laundering
XXPROPTXX	Relates to purchases and rental of real estate property
XXVAXX	Virtual assets
XXILTXX	Illegal lotteries – operating or facilitating illegal lotteries
XXTEOSXX	Tax evasion offshore
XXTEUKXX	Tax evasion UK-based
XXF1XX	Proceeds from benefit fraud
XXF2XX	Excise evasion (duty on alcohol, tobacco, fuel etc.)
XXF3XX	Corporate tax evasion (tax evasion by businesses, corporations)
XXF4XX	Personal tax evasion (tax evasion by individuals e.g. income tax)
XXF5XX	VAT fraud e.g. carousel – Missing Trader Intra-Community (MTIC) fraud
XXF9XX	Frauds against private sector
XXD9XX	Bribery and corruption
XXD7XX	International PEPs
XXD8XX	Domestic PEPs
XXV2XX	Risk to vulnerable adults
XXV3XX	Risk to children – including sexual abuse and exploitation
XXFIREXX	Firearms
XXOICXX	Organised immigration crime
XXMSHTXX	Modern slavery and human trafficking
XXDRUXX	Illegal supply of drugs
XXPCPXX	Counter-proliferation
XXVICTXX	Where the purpose of the activity is to return money to a victim of crime
XXSATXX	Relating to suspected fraudulent use of the HMRC Self-Assessment Tax Refunds system
XXGPSXX	Relating to suspected fraudulent use of Government Priority Schemes established as a result of COVID-19
XXCVDXX	Relating to any suspicious activity connected to COVID-19