

- Reporting entities shall ensure that information concerning any suspicious transaction that may arise during the course of business undertaken by the reporting entity is transmitted to the compliance officer

5. ARE CASH TRANSACTIONS ONLY TO BE REPORTED AS SUSPICIOUS TRANSACTIONS?

No, the requirement to report any suspicious transaction applies to all types of transaction regardless of whether cash is involved. Thus non-cash transactions, such as telegraphic transfers, that may appear suspicious, should also be reported.

-There is no minimum monetary threshold amount for reporting suspicious transactions. Thus a transaction considered suspicious should be reported to the FID-RMA regardless of the Ngultrum amount of the transaction.

6. DOES THE REPORTING OF A CUSTOMER'S INFORMATION AND TRANSACTIONS TO THE FIU MEAN THAT A FINANCIAL INSTITUTION IS BREACHING CUSTOMER CONFIDENTIALITY REQUIREMENTS?

No. A financial institution's obligation to report customer's transactions or information under the AML/CFT Act 2018 overrides any obligations it has under any other law or business requirement to protect the confidentiality of its customer's information

7. WHAT PROTECTION IS THERE FOR THE REPORTING ENTITY AND ITS EMPLOYEE'S FOR DISCLOSING CUSTOMER'S INFORMATION TO THE FID?

Under section 79 of the AML/CFT Act 2018, the reporting entity and its employee's are protected from any civil, criminal or disciplinary action taken against it for reporting a suspicious transaction in good faith.



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**ROYAL
 MONETARY
 AUTHORITY**



**FINANCIAL
 INTELLIGENCE
 DEPARTMENT**

1. WHAT IS A SUSPICIOUS TRANSACTION?

Suspicious transaction refers to any transactions either completed or attempted regardless of the amount that

- i. appears unusual;
- ii. has no clear economic purpose;
- iii. appears illegal;
- iv. does not commensurate with the customer's profile or business activities;
- v. involves proceeds from an unlawful activity; or
- vi. indicates that the customer is involved in money laundering or terrorism financing activities

2. WHAT TO REPORT?

To facilitate quality analysis of STR submitted, the reporting entities are required to provide the following information in the STR:

- i. Information on the person conducting the transaction;



- ii. Information on the account holder or beneficiary of the transaction;
- iii. Details of the transaction, such as the type of product or services and the amount involved;
- iv. Description of the suspicious transaction;
- v. Other relevant information

Do's and Dont's on submission

Do's!

The compliance officer of the reporting entity must:

- i. Submit STR to the Financial Intelligence Department no later than two working days.
- ii. Continue to monitor the activities of the reported account or the person.

Dont's!

The compliance officer or anybody who has the knowledge of the STR should preserve secrecy and should not inform the customer or anyone else, except if the disclosure is made to:

- i. Exercise his function under the AMLCFT Act 2018;
- ii. Advise on the risk involved in dealing with a particular person.

3. HOW TO REPORT A SUSPICIOUS TRANSACTION?

- i. Suspicious transaction reports shall be delivered to the FID at the Royal



Monetary Authority of Bhutan in accordance with any direction issued from time to time by the Head of the FIU.

- ii. This can be reported to the FIU in the form prescribed by the FID.
- iii. In cases where a financial institution must urgently report on a suspicious transaction, it may verbally report this to the Director of the FIU or any of the analysts via telephone. This must be followed up with a formal written report.
- iv. Larger financial institutions such as banks and credit institutions should provide their reports of suspicious transactions to the FIU through their Anti-Money Laundering Compliance Officer. Clear internal reporting procedures should be in place to allow for this and all employees must follow these reporting procedures.

4. WHEN TO FILE STR?

- STR should be filed no later than two working days after the transaction or attempted transaction has taken place