

What is suspicious activity?

(Cont'd)

- Is the customer paying in worn or tattered notes and/or in small denominations?
- Is the source of the cash known and reasonable?
- Are there any unusual requests for collection or delivery?
- Is the transaction reasonable in the context of the normal business of the customer?
- Is the size and frequency of the transaction consistent with the normal activities of the customer?
- Has the pattern of transaction changed since the business relationship was established?
- The nature and circumstances of the transaction (s) conducted by a customer.

What happens after you make the report?

The FRA will analyse the information you provide and decide whether a further disclosure to law enforcement is necessary. You will be advised by the FRA if your disclosure is of interest to law enforcement.

If you have any questions regarding the material in this pamphlet or would like a copy of the Reporting Form, please contact the FRA as noted overleaf.

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Financial Reporting Authority

A Pamphlet for Retailers of High Value Goods

"Taking the profit out of crime."

"Together we can make a difference!"

Message from the Director

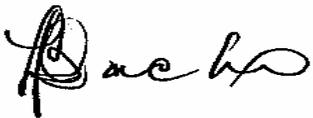
This pamphlet is designed to give retailers of high value goods an overview of their responsibilities under the Proceeds of Criminal Conduct Law (PCCL).

Money laundering and terrorist financing are serious international issues. The Cayman Islands has joined other countries around the world in the fight against these crimes as well as those who would seek to benefit from these criminal acts.

Our vision is to ensure that all Cayman Islands financial and business entities are free of money laundering and other related crime. To achieve this goal we will work closely with those that are required to report suspicious activities to the Financial Reporting Authority (FRA).

Financial institutions and business entities in the Cayman Islands have a key role to play in the fight against money laundering and terrorist financing, and in ensuring that the country's financial system is sound and healthy and one which is conducive to investment.

We are ready to assist financial and business entities in fulfilling their anti-money laundering reporting obligations.



Lindsey Cacho
Director

Financial Reporting Authority (FRA)

Who are we?

We are the Cayman Islands financial intelligence unit which is responsible for:

- ◆ Receipt of financial information [suspicious activity reports (SARs)] under the PCCL, the Misuse of Drugs Law and anti-terrorism legislation.
- ◆ Analysis of financial information.
- ◆ Dissemination of financial intelligence in accordance with statutory parameters.
- ◆ Respond to requests from overseas counterparts and other law enforcement agencies.

What is money laundering?

Money laundering is the process by which criminally obtained money or other assets are converted into "clean" money or assets with no obvious link to their criminal origins.

Why are dealers of high value goods so important in the fight to stop it?

Due to the increased measures taken by financial institutions in recent years to deter money laundering, dealers of high value goods have become more attractive to criminals who seek to launder criminal proceeds by purchasing physical goods rather than using the traditional financial system. Accordingly, dealers of high value goods have a critical role to play in deterring criminals from using the Cayman Islands to launder their proceeds.

What are the obligations on retailers of high value goods?

The Cayman Islands has implemented legislation aimed at preventing, detecting, and prosecuting money laundering. The legislative measures reflect international standards and best practices.

The PCCL creates an offence for any one who knows or suspects that money laundering is taking place and fails to report it to the FRA.

When and what do you report?

You should make the report as soon as you know or suspect that money laundering is taking place. Your report should also include identification details and any other customer information you may have.

If you refuse the business and you suspect money laundering you are still obliged to make a report to the FRA.

What is suspicious activity?

Suspicious activity usually includes conduct that does not fit with the normal course of business. You may wish to consider the following factors in deciding whether activity is suspicious:

- Is the customer reluctant to provide identification details where such details would normally be provided?
- Is there a genuine reason for paying large sums of money in cash?
- Is the customer trying to introduce intermediaries either to protect their identity or hide their involvement?