



**FINANCIAL MONITORING UNIT (FMU)**  
**GOVERNMENT OF PAKISTAN**  
2<sup>ND</sup> FLOOR, SBP MAIN BUILDING, I.I. CHUNDRIGAR ROAD, KARACHI 4400

---

FMU-Circular No. 01 of 2021

April 30, 2021

**All Reporting Entities**

Dear Sirs/Madams,

**Red Flags Indicators for Financial Activities related to Drug Trafficking**

In terms of Section 7 (1) of Anti-Money Laundering Act, 2010, the reporting entities are required to promptly report Suspicious Transactions Reports (STRs) to Financial Monitoring Unit for potential Money Laundering (ML) / Terrorism Financing (TF) / Proliferation Financing (PF) related activities.

2. In order to identify a suspicion that could be indicative of Money Laundering (ML) or Terrorism Financing (TF) activity through drug trafficking proceeds, FMU has prepared the red flags indicators that are specially intended as an aid for the reporting entities, which are attached [as "Red Flags Indicators for Financial Activities related to Drug Trafficking"](#).

3. These red flags may appear suspicious on their own; however, it may be considered that a single red flag would not be a clear indicator of potential ML / TF activity based on drug trafficking proceeds. However, a combination of these red flags, in addition to analysis of overall financial activity and client profile may indicate a potential ML / TF activity.

Encl: ["Red Flags Indicators for Financial Activities related to Drug Trafficking"](#).

Yours truly,

Sd/-  
(Sumera Baloch)  
Additional Director

**Copy to:**

The Governor, State Bank of Pakistan  
The Chairman, Securities and Exchange Commission of Pakistan  
The Director General, Federal Board of Revenue DNFbps Directorate  
The President, Institute of Chartered Account Pakistan (ICAP)  
The President, Institute of Cost and Management Accountant Pakistan (ICMAP)  
The Director General, Central Directorate of National Savings (CDNS)  
The Director General, Anti-Narcotics Force Pakistan