



FMU-Circular No. 02 of 2025

March 27, 2025

To: All Concerned Reporting Entities

Red Flag Indicators for Trade Based Money Laundering (TBML)

In terms of Section 7 (1) of the Anti-Money Laundering Act, 2010, all the reporting entities are required to promptly report Suspicious Transactions Reports (STRs) to FMU for potential ML/TF related activities.

2. To enhance the detection and reporting of suspicious trade-related activities, FMU has developed a comprehensive set of Red Flag Indicators for Trade-Based Money Laundering (TBML). These indicators aim to assist reporting entities in identifying suspicious trade transactions that may be linked to illicit financial flows, trade mis-invoicing, over/under-invoicing, phantom shipments, and other TBML methodologies.

3. All reporting entities directly or indirectly involved in facilitating trade transactions must incorporate these Red Flag Indicators into their AML/CFT monitoring frameworks. Reporting entities are expected to use these indicators as part of their risk assessment and transaction monitoring processes to improve the quality and effectiveness of TBML-related STR submissions via goAML.

4. The detailed [Red Flag Indicators for TBML](#) are enclosed with this circular for guidance and implementation.

5. The compliance of these red flags must be ensured by all the reporting entities.

Encl: "[Red Flag Indicators for TBML](#)"

Yours truly,

Sd/-
(Sumera Baloch)
Additional Director

Copy to:

The Governor, State Bank of Pakistan (SBP)
The Chairman, Securities and Exchange Commission of Pakistan (SECP)