



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

FMU-Circular No. 09 of 2020

September 02, 2020

All Reporting Entities

Dear All,

Red Flags Indicators for Misuse of Legal Persons

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) related activities.

2. In order to identify a suspicion that could be indicative of Money Laundering (ML) or Terrorism Financing (TF), 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 Misuse of Legal Arrangements and NPOs”](#).

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. 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 Misuse of Legal Arrangements and NPOs](#)

Yours truly,

Sd/-
(Sumera Baloch)
Additional Director

Copy to:

The Governor, State Bank of Pakistan
The Chairman, Securities and Exchange Commission of Pakistan