RED FLAG INDICATORS (RFIs)

1. Rule Based Monitoring

Monitoring Based on Multiple Scenarios/ Rules based alert generated for MTSS

Considering the nature of service, it is requested to generate an MIS for "Inward Remittance Transactions" based on the conditions given below,

1. Customers with high number of transactions
2. Customers with high aggregate value of transactions
3. Transactions of foreigners (Visiting India)
4. Concentration of customers in branches
5. Customers receiving fund from multiple senders
6. Customers receiving fund from multiple countries
7. Single sender sending to multiple receivers
8. Single sender sending from multiple countries
9. Single customer transaction in Multiple Branches/Regions/States
10. Low value transaction with high frequency.
11. Transactions from FATF notified countries (High/medium risk)
12. Transactions from Pakistan and China.
13. Number of days involved in transaction
14. Total Transaction value is lower than average transaction value

Monitoring Based on Single Scenario/ Rule based alert generated

SN	Scenario / Rule	Risk Severity
1	Loan disbursed to the customer through banking channels and the loan repayment done in cash (If more than XX% of loan amount is repaid in cash)	High
2	Loan disbursed to the customer in cash and repayment done using non-cash modes	Medium
3	Having inventory count of XX or more	Low
4	Performed more than XX repledges during XX days	Medium
5	Number of transactions is in excess of XX Nos during XX days	Medium
6	Distinct count of Transaction Date in excess of XX Days (Date on which payment is made)	Medium
7	Amount involved in repayment (In Aggregate) is in excess of XX Lakhs during XX days	Low
8	No of branches where inventory is pledged in more than XX Branches.	Medium
9	Wallets receiving more than average transactions from multiple number of bank accounts/ wallets in a single day	Medium
10	Wallets receiving more than average transactions from multiple number of bank accounts/ wallets (more than average transactions, either by count or by amount)	Medium
11	Single beneficiary (Based on bank account) receiving funds from multiple wallets / bank accounts in a single day	High
12	Single beneficiary (Based on bank account) receiving funds from multiple wallets / bank accounts (more than average transactions, either by count or by amount)	Medium
13	Customers who are transacted in more than XX currencies in a month	Medium
14	Customers who has transacted in more than XX currencies during every XX months	Low

Reports generated covering all products,

1. High Value cash transaction in a day
2. High Value cash transaction in a Calendar month
3. Unscheduled High Value repayments in a day
4. Unscheduled High Value repayments in a calendar month
5. Splitting of cash transaction just below Rs.XX by a Customer in a month
6. High value transactions by High Risk Customers
7. Cash repayments greater than INR XX for individuals and greater than INR XX for non-individuals in a day
8. Top 10 cash repayments in a day.
9. Non-Cash repayments greater than INR XX for individuals and greater than INR XX for non-individuals in a day
10. Top 10 non-cash repayments in a day
11. Cash repayments greater than INR XX for individuals and greater than INR XX for non-individuals in a month
12. Top 10 cash repayments in a month.

13. Non-Cash repayments greater than INR XX for individuals and greater than INR XX for non-individuals in a month.
14. Top 10 cash repayments in a month
15. Value of transaction is more than XX percent of the previous largest transaction for the client (or client profile)
16. Value of transactions in a month is more than XX percent of the average value for the client (or client profile)
17. Number of transactions in a month is more than XX percent of the average number for the client (or client profile)
18. Cash transactions greater than INR XX by customer with low cash requirements such as Students, Housewife, Pensioners, Wages and salary person and Minor Accounts
19. Cash repayments in amounts ranging between INR XX/- to INR XX in multiple accounts of the customer greater than XX times in a month
20. Common address/telephone used by multiple unrelated customers. Common Ids used by multiple customers. Group of individuals conducting transactions.
21. Loan repayments in cash greater than INR XX in XX months.
22. Transaction involving a location considered to be high risk from the terrorist financing perspective.
23. Receipt of any notice of enquiry from any enforcement authority, calling for information about any Customer.
24. Customer provided different IDs or Date of Birth at different instances
25. Receipt of enquiry/attachment notice from any enforcement authority such as CBI, Police, Enforcement Directorate, Department of Vigilance and Anti-corruption, Income tax or Service Tax Authorities etc. for violation of revenue/regulatory laws.

Escalation from Branch / Field staff

SN	Category	Detailed description
1	Behavioral indicators	1. Customer did not open account after being informed about KYC requirements 2. Customer uses complex legal structures or where it is difficult to identify the beneficial owner. 3. Customer is hurried or nervous. 4. Customer is over cautious in explaining genuineness of the transaction. 5. Customer changes the information provided after more detailed information is requested. Customer provides information that seems minimal, possibly false or inconsistent. 6. Multiple customers arrive together but pretend to ignore each other. 7. Customer travels unexplained distances to conduct transactions 8. Customer could not explain source of funds satisfactorily. 9. Not sharing the details of transaction/purpose of loan
2	Service Request Indicators	1. Customer frequently requests for change of address 2. Customer did not complete transaction after queries of source of funds etc. 3. Customer has vague knowledge about amount of money involved in the transaction. Customer taking instructions for conducting transactions.

		Customer is accompanied by unrelated individuals.
		4. Customer makes inquiries or tries to convince staff to avoid reporting.
		5. Relaxing due diligence process by offering tips/gifts
		6. Forcing to open Multiple IDs
3	Transactional Indicators	1. Transaction is unnecessarily complex for its stated purpose. 2. The amounts or frequency or the stated reason of the transaction does not make sense for the particular customer. 3. Transaction involving movement of which is inconsistent with the customer's business. 4. High volume of transactions without apparent explanation 5. Transaction in small amounts 6. Exchange of currency does not match the country where the client is travelling 7. Felt to be Benami Transaction 8. Third parties (ie, persons other than customer) is approaching the branch for repayment/settlement of loans 9. Receiving multiple transactions from different senders in similar amounts in a short amount of time. 10. Receiving unusual number of transactions in a short period of time 11. Receiving fund from multiple senders with no apparent family relationship 12. Receiving transactions from multiple states, provinces or countries
4	Legal/Social Indicators	1. Customer has been the subject of inquiry from any law enforcement agency relating to criminal offences. 2. Customer has been the subject of inquiry from any law enforcement agency relating to Terrorism Financing or terrorist activities. 3. Match of customer details with persons reported in local media / open source of criminal offences. 4. Match of customer details with persons reported in local media / open source for terrorism or terrorist financing related activities. 5. Complaint received from public for abuse of account for committing fraud etc. 6. Alert raised by agents about suspicion. 7. Alert raised by other institutions, subsidiaries or business associates including cross-border referral.
5	Documentation Indicators	1. Customer gave false identification documents or documents that appear to be counterfeited, fabricated, altered or inaccurate. 2. Identity documents presented are not verifiable i.e. Foreign documents etc. 3. Address provided by the customer is found to be non-existent. 4. Customer not staying at address provided during account opening. 5. Customer offers different identifications on different occasions with an apparent attempt to avoid linkage of multiple transactions. 6. Giving hotel address / other addresses rather than home / permanent address
6	Others	1. Others (specify the details in "Other information")