



## **FREQUENTLY ASKED QUESTIONS (FAQs) - Guidance to Submitting Suspicious Transaction Reports**

- 1) With regards to submitting the completed suspicious transaction report (STR) within (3) working days from the date determined by the MLRO, this requirement would be very difficult for reporting entities to meet since they are required to provide QFIU with all the supporting documents. Are Reporting Entities required to submit all supporting documents at the same that they file the STR?**

No. The supporting documents are not mandatory attachments to the STR. The 3 days given to fill the STR Form should be sufficient time to allow the preparation and submission of the STR to QFIU.

Reporting suspicious transaction to QFIU is important, even without the supporting documents, because it makes QFIU aware of the existence of a suspicious transaction/account and enables it to exercise its powers, including requesting freezing of accounts, or requesting additional information from the reporting entity or other entities.

When making a suspicious transaction report, Reporting Entities must provide sound reasons underlying suspicion, in order for QFIU to be able to prioritize its actions properly. In addition, it is expected that reporting entities will usually have conducted some basic background checks of internally generated alerts before reaching a conclusion as to the possible suspicions related thereto. Documents used in this background check can be included in the submission of the report, when possible/relevant.

The shorter period to report transactions suspected of being related to terrorism or terrorist financing is due to the seriousness of the suspicion and consequences associated with these crimes, compared to money laundering and other predicate offenses. However, supporting documents are not required to be filed with the STR.

**2) How do Reporting Entities comply with the requirement to file an STR every 30 days after filing an initial STR when the subject has continued to conduct suspicious transactions in the same manner?**

The general rule of reporting suspicious transactions is mandatory every time the customer conducts a suspicious transaction, regardless of the number of times the customer engages in such transactions.

However, in order to prevent over reporting, a Reporting Entity must file on the same subject once every 30 days, provided that the subject has continued to conduct transactions in a manner similar to the manner that gave rise to the Reporting Entity's initial suspicion. Limiting subsequent reporting on the same subject engaged in a similar pattern to one report every 30 days puts the QFIU in a better position to assess the seriousness of the situation.

If the subject engages in a different pattern of suspicious conduct, the Reporting Entity should file an STR within 3 days, even if 30 days have not passed. Subsequent reporting on the same subject may then be done once every 30 days, unless the subject engages in a different pattern of suspicious conduct, in which case the financial institution should file an STR within 3 days, even if 30 days have not passed.

It should be stressed here that a customer may engage in a transaction that a reporting entity deems suspicious due to pre-set criteria for monitoring the customer's activity, but finds that the customer's following transactions fall under normal behavior. In such instances, no further reporting will be required. The monthly reporting is required only for customers who continue to engage in suspicious transactions after an initial report has been submitted to QFIU, to make it aware of the continuity of the suspicious behavior or if it had ceased.

**3) What are some factors that give rise to a suspicion of terrorist financing?**

Reporting Entities should report a suspicious transactions involving individual(s) or entity(ies) identified by media and/or sanctions lists as being linked to a terrorist organization or terrorist activities, such as those found in the United Nations Security Council Sanctions List, Qatar's NCTC National Terrorist Designation List.

Reporting Entities shall submit STRs on transactions, completed or attempted, regardless of amount, that are suspected of being related to money laundering, terrorist financing, or to a criminal activity.

**4) Should Reporting Entities file an STR when they encounter transactions involving persons sanctioned by other jurisdictions?**

Reporting Entities should report transactions involving individual(s) or entity(ies) identified found in sanction lists from the United States' Office of Foreign Assets Control (OFAC), the European Union, or the United Kingdom.

**5) How will QFIU know that the STR was submitted in a timely manner – that the STR was submitted within 3 working days from the time the Reporting Entity determined the transaction was suspicious?**

QFIU works closely with Supervisory Authorities (QCB, QCFRA, QFMA). QFIU communicates with the Supervisory Authorities any concern it may have regarding Reporting Entities' compliance with their obligations under the law, including timeliness of submission of STRs. The Supervisory Authorities, during the course of an on-site examination, will be well positioned to check the timeliness of the submission of STRs. The Supervisory Authorities may communicate to QFIU the findings they may have on the Reporting Entities' compliance.

**6) In filing the STR, what if some of the fields of the STR form were not applicable to my entity?**

QFIU understands that not all fields in the STR Form is applicable to all reporting entities. Reporting Entities should do their best to complete all relevant fields in the form with as much information available to describe all the factors or unusual circumstances which led to the suspicion. If there is problem that prevents the submission of the STR, the Reporting Entity should contact QFIU immediately.

**7) Do Reporting Entities have to report an attempted transaction that was blocked or rejected by the bank because the individual or the company appear on the sanction list?**

Yes, Reporting Entities have to submit STRs on BOTH completed or attempted transactions, in addition to any obligations that they have to report blocked or rejected to other authorities.

**8) Should the STR be signed by the Money Laundering Reporting Officer (MLRO), or Deputy MLRO, or the duly authorized representative of the Reporting Entity?**

If the STR was submitted to QFIU by Courier, the STR should be signed by the MLRO, or Deputy MLRO, or the duly authorized representative of the Reporting Entity. The signature is a proof that the submission of the STR to QFIU was authorized by the Reporting Entity.

However, if the STR was submitted through QFIU's Electronic STR System (E-STR), the assumption is that the STR was duly authorized by the MLRO to be submitted to QFIU.

**9) Will Reporting Entities receive any confirmation after sending an STR?**

Yes, Reporting Entities will receive confirmation that the STR was received by QFIU. If the STR was submitted through E-STR, the confirmation will be sent electronically. If it was submitted by courier, QFIU's Reception and Archive Section will acknowledge the receipt of the STR. The confirmation will contain the date and the time the STR was received by QFIU.

**10) We need feedback from QFIU to protect Reporting Entities. What is the timeframe for QFIU to reply to Reporting Entities?**

Aside from confirmation that the STR was received by QFIU (Question No. 8), Reporting Entities may also receive general feedback from QFIU as follows:

- Entities may hear from QFIU in different stages of the STR life cycle – Receipt, Validation and Risk Rating, and Analysis.
- Upon receipt, QFIU will confirm that the STR was received on a specific date and time. QFIU Archive and Reception will stamp the date and time the STR was received. There will also be a reminder not to disclose the fact that an STR was submitted to prevent tipping-off.
- QFIU's Quality Control and Preparation Department validates and risk rates STRs. During validation, STRs are checked whether the STR is complete and

filled appropriately – mandatory fields, timely, submitted by authorized officer. QFIU may reach out to the reporting entity should the STR is deemed incomplete, and/or requires further clarification on the information indicated in the STR Form.

- The STR could be Risk rated as High, Medium, or Low. When the STR is classified as MEDIUM. QFIU may communicate and discuss with the reporting entity the possibility of subjecting the subject of the STR to on-going monitoring and conduct enhanced due diligence.
- When the STR is classified as HIGH, QFIU's Analysis and Dissemination Departments shall conduct further analysis on the STRs. As such, QFIU may requests additional information from reporting entities in relation to the said STRs

From time to time, QFIU may also provide some specific feedback to particular reporting entities, based upon the needs for such feedback, or to all reporting entities, through QFIU publications, discussions, fora or meetings, as the case may be.

For operational reasons, QFIU cannot disclose actions taken related to on-going analysis, investigations and prosecutions or whether any of these follow-up actions were taken.

**11) Are Reporting Entities expected to classify or risk rate the STR?**

There is no expectation from QFIU that Reporting Entities shall risk rate the STRs - Low, Medium or High. The QFIU risk rates STRs to prioritize STRs for analysis. However, QFIU expects that Reporting Entities indicate whether the transaction reported in the STR is related to money laundering, terrorist financing, or another type of suspicion (Field 2.2), and provide as much information and details on the basis of which the STR was submitted.

**12) How are STRs prioritized by QFIU?**

STR priority is determined based upon the risks related to the reported transactions. QFIU uses the risk assessment framework employed by the FATF, which defines risk as a function of three factors: threat, vulnerability and consequence.

In applying this, the STR Guidance issued by QFIU provides that when there is suspicion that the transactions are linked to, or are to be used in terrorist acts or by terrorist organizations, the STR must be sent within 24 hours of the financial institution determining that the transactions were suspicious.

- 13) Should Reporting Entities wait for QFIU's feedback on whether to close the account, stop the transactions, or terminate the business relationship? How Reporting Entities should deal with customers after an STR was filed?**

QFIU has no authority under the law to stop a transaction, order a reporting entity to close an account or end a business relationship with a customer. It is the business decision of the Reporting Entity to restrict or terminate its business relationship with a customer. However, if the Reporting Entity makes a decision to restrict or terminate the business relationship, the Reporting Entity should ensure that it does not inadvertently tip off the customer that an STR was filed with QFIU.

- 14) Do all STRs must be submitted in Arabic according to Law No. 9 of 2019?**

Yes. According to Law No. 9 of 2019, STRs have to be submitted in Arabic.

- 15) What is the Establishment Code (Field 5.5)?**

The Establishment Code is the number given to a legal entity incorporated/established in Qatar in order to start its operations. It should be noted that legal entities usually have two identification numbers: commercial registration and establishment code. This is referred to in Arabic as "Rakam Kaid Al-Monshaa". This is a mandatory information for locally incorporated legal entity.

- 16) Is Establishment Code (Field 5.5) the same as the Registration Number (Field 5.6)?**

No. The Establishment Code is the number given to legal entity incorporated/established in Qatar in order to start its operations, while Registration Number is the number assigned to a legal entity incorporated/established outside Qatar that was allowed to do business locally.

Registration Number is a mandatory information for a foreign legal entity that was given a permit to do business in Qatar.

- 17) Should Reporting Entities include Driver License details?**

Yes. Driver License details should be provided to QFIU by the Reporting Entity when available. Reporting Entities should provide as much information as they can to QFIU on the persons of interest reported in the STR, as it could help QFIU with its analysis.

- 18) Should Reporting Entities include details of the bank account or company account information?**

Depending on the type of Reporting Entity, bank account or company account information should be provided to QFIU. Several bank account or company information are considered mandatory information that should be provided to QFIU when submitting an STR.

**19) When updating MLROs data, should it be sent to Qatar Financial Markets Authority – Supervisory Authority, to NAMLC, or to QFIU?**

For purposes of submitting STRs to QFIU and without prejudice to prudential requirements by the concerned supervisory authorities, Reporting Entities shall provide QFIU with the contact information of the Reporting Entities' MLRO, Deputy MLRO and/or authorized representatives, and shall inform/update QFIU of any changes thereto.