

**CURRENCY EXCHANGE/ MONEY CHANGING**

The overall risk assessment rating for Currency Exchange/Money Changing is **MEDIUM**.

A significant amount of money laundering and financing of terrorism involves cash. This is a concern and directly relates to your business.

The features identified in the table below will help you conduct your own risk assessment.

They will help you create policies and procedures which accurately reflect how much money laundering risk you think your business is subject to.

The table does not cover every way a money launderer may use your business. It reflects ways that money launderers have acted in the past. We encourage you to think about other situations that may apply to your specific business.

Transactions or activities listed in the table may not necessarily signal money laundering if they are consistent with a customer’s legitimate business.

Based on knowledge of your own business that offers a money changing service you should decide what risk particular customers or transactions pose and how you can lessen that risk.

We encourage you to think about ways to spot transactions that may signal potential money laundering. For example processes that identify unusual deposits or unusual movements of funds.

|  | | **HIGHER RISK CHARACTERISTICS** | **LOWER RISK CHARACTERISTICS** |
| --- | --- | --- | --- |
| **Nature and Complexity of the Business** | Cash transactions | Large cash exchanges between foreign currencies; |  |
| Currency purchases with large cash amounts; |  |
| Customer profile | Sudden increases in the frequency or value of transactions of a particular customer without reasonable explanation; |  |
| An unusually large cash transaction/ or a transaction that is unusually large for the typical customer or business; |  |
| Money transfers to high-risk jurisdictions without reasonable explanation, which are not consistent with a customer’s usual foreign business dealings; |  |
| Transactions carried out by a customer for someone else or by someone on behalf of a customer; |  |
| Customer’s address is that of a company service provider or is a virtual address; |  |
| Customers based in, or conducting business in or through, a high risk country, or a country with known levels of corruption, organised crime or drug production/ distribution; |  |
| **Screening Customers and Transactions** | | Customers who make an unusual request for collection or delivery of funds; |  |
| Exchange of large quantities of low denomination notes for higher denominations; |  |
| Structuring of large amounts; |  |
| Multiple senders toward a single individual; |
| Routing of funds through third parties; |
| Transfers of large sums of money to or from overseas locations with instructions for payment in cash; |  |
| Customers who are not physically present for identification purposes; |  |
| Large amounts are transferred to companies abroad with a service provider address; |  |
| Use of false identity documents to send money; |  |
| No or limited information about the origin of funds, or the source of funds cannot be easily verified; |  |
| **Methods by which services are delivered to customers** | | Agency channel (for example by non-financial businesses); | Whole transaction carried out by one service provider; |