

**Money Remittance/ Transfer**

The overall risk assessment rating for Money Remittance / Transfer is **HIGH**.

The features identified in the table of this guide will help businesses in the money remittance and transfer sector conduct risk assessments about money laundering and financing of terrorism.

They will help you create policies and procedures which accurately reflect how much your business could be affected by money laundering.

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 you should decide what risk particular customers or transactions pose and how you can lessen that risk.

|  | | **HIGHER RISK CHARACTERISTICS** | **LOWER RISK CHARACTERISTICS** |
| --- | --- | --- | --- |
| **Services Offered** | | Money remittance which enables cash or value to be transferred overseas; | Domestic transfers (of cash or value); |
| Payment by prepaid cards; |  |
| **Nature and Complexity of the Business** | Transfer of funds | The initiation or receipt of a remittance transaction by mobile phone; | Cash deposit into a bank account with a financial institution; |
| Online money transfer; |  |
| Customers sending money on the same day to several locations, to the same or different recipients; |  |
| Large or frequent transfers of money, in particular, a sudden increase in business from an existing customer; |  |
| Transactions in amounts just below the level needing identity checks by the same customer in a short time; |  |
| Money sent to or received from areas known to have high levels of criminal activity; |  |
| Method (s) of settlement | Balancing of accounts through alternative channels such as cash couriers; | Settlement through traditional banking channels; |
| Transactions bundled together over weeks or months to combine funds; |  |
| Settling of accounts through trade rather than transfer; counter-valuation done through under-invoicing or over-invoicing of product flows between import and/or export businesses; |  |
| Transactions broken down into multiple/ sequential transactions; |  |
| **Customers dealt with** | | Customers not physically present for identification purposes; | Large volume of business in person-to-person transactions; |
| No standing account or business relationship with the customer (particularly where there is a high level of business conducted in a transaction); |  |
| High value customers; |  |
| Customer (s) based in, or conducting transactions in or through, a high-risk country, or a country with known levels of corruption, organised crime, drug production and/or distribution; |  |
| Uncharacteristic transactions which are not in keeping with a customer’s usual transaction activity; |  |
| **Methods by which services are delivered to customers** | | Agency channel (for example by dairies and small businesses); | Whole transaction carried out by one service provider; |