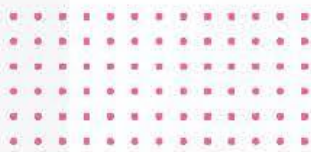




GUIDANCE NOTES

MONEY SERVICE BUSINESS



VERSION 2.0

PUBLISHED – MARCH 2026



FINANCIAL INTELLIGENCE AGENCY BERMUDA

**SECTOR SPECIFIC GUIDANCE NOTES FOR
MONEY SERVICES BUSINESS FOR FILING A GOOD QUALITY
SUSPICIOUS ACTIVITY REPORT (SAR) AND SUSPICIOUS TRANSACTIONS REPORT (STR)**

The Financial Intelligence Agency (FIA) was established by the [Financial Intelligence Agency Act 2007](#) to act as an independent agency authorized to receive, gather, store, analyse and disseminate information relating to suspected proceeds of crime and potential financing of terrorism received in the form of Suspicious Activity Reports (SARs) and Suspicious Transaction Reports (STRs). The FIA only accepts SARs and STRs that have been submitted electronically via the FIA's designated platform (currently goAML) using the online submission form or XML transmission. In exceptional circumstances, an alternative method can be provided.

This document contains information that will assist persons with their reporting obligations pursuant to the [Proceeds of Crime Act 1997](#) (POCA) Sections 46 and 47, and [Anti-Terrorism \(Financial and Other Measures\) Act 2004](#) Sections 9, 10 and 10A. This guidance does not represent legal advice. If you are unsure about your obligations in a specific case, please seek independent legal advice.

Bermuda Personal Information Protection Act (PIPA) and SAR/STR Reporting

The Bermuda Personal Information Protection Act 2016 (PIPA) establishes a framework governing the collection, use, and disclosure of personal information by organisations operating in Bermuda. PIPA requires that personal data be handled in accordance with established privacy principles, including obtaining consent and limiting disclosure to purposes for which the information was originally collected. Financial institutions and other reporting entities must be mindful of their obligations under PIPA when handling client data in the ordinary course of business.

However, obligations arising under Bermuda's anti-money laundering and anti-terrorist financing regime — including the duty to file SARs and STRs pursuant to the [Proceeds of Crime Act 1997](#) and the [Anti-Terrorism \(Financial and Other Measures\) Act 2004](#) — take precedence over the privacy protections afforded by PIPA. Section 55 of PIPA expressly provides for exemptions where disclosure is required or authorised by law, which encompasses the statutory obligation to report suspicious transactions to the Financial Intelligence Agency (FIA). Accordingly, reporting entities must not allow PIPA considerations to impede or delay the filing of a SAR/STR, and no client consent is required — nor should it be sought — when making such a report. The tipping-off provisions further underscore this point: notifying a client that a SAR/STR has been filed is itself a criminal offence, reinforcing that the duty to report operates independently of, and overrides, any data privacy obligations under PIPA.

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1. PURPOSE OF A SAR AND STR REPORT

The purpose of the Suspicious Activity Report (SAR) and Suspicious Transaction Report (STR) is to alert the FIA that certain client/customer or related business activity is in some way suspicious and might indicate money laundering or financing of terrorism. The information provided in these reports plays a vital role in aiding law enforcement in combating money laundering (ML), terrorist financing (TF) or proliferation financing (PF) investigations and assisting with identifying emerging trends and patterns connected to financial crimes. The information about those trends and patterns is vital to law enforcement agencies and provides valuable feedback to stakeholders. Reporters are required to submit reports that are complete, accurate, and filed promptly. Therefore, it is crucial that Money Laundering Reporting Officers (MLROs) and/or Nominated Officers (filers) provide narratives that are clear, concise, and comprehensive. The failure to adequately describe the indicators making the transaction or activity suspicious, delayed reporting and absence of supporting documentation undermines the purpose of the SAR/STR and minimises its usefulness to law enforcement. Reports are reviewed and analysed by FIA Analysts, who then disseminate the relevant intelligence / information, if warranted, to the relevant law enforcement agencies, whether domestic or foreign to initiate potential investigations.

Reports filed with incomplete data will be rejected.

Individuals filing or reporting SAR/STRs to the FIA are guided to PRINT or SAVE a copy of their SAR/STR prior to final submission. Once the SAR/STR has been approved, it will no longer be visible to the filer.

2. DEFINING SAR AND STR

A **SAR** details suspicious activity that does not currently contain any financial transactions. For example, declined business, dubious emails and requests, strange phone calls and the suspect compartment or associations of a subject or entity can be detailed in a SAR.

A **STR** details suspicious activity that involves a financial transaction. For example, unusual transactions that deviate from known client activity, unexplained large cash deposits, transactions which have no apparent lawful purpose and transactions to high-risk jurisdictions. Financial transactions must be entered into goAML to support the STR narrative along with the relevant supporting documentation.

3. QUALITY OF SARs/STRs

The FIA may reject the filing of a poor-quality or incorrectly filed report and advise the reporter to resubmit the report within five calendar days. The rejected report can be found in the draft section of the goAML platform. If a resubmission is not received before the end of five calendar days, the report will be archived, and a new SAR/STR will need to be submitted to the FIA. The FIA cannot interpret, assume, or infer what suspected money laundering, terrorist financing and/or predicate offence the reporter believes may have been committed. The FIA may also refer the consistent

reporting of poor-quality SARs/STRs to the relevant supervisory body for its attention and appropriate action.

4. TIPPING OFF

Bermuda legislation requires that a financial institution, its directors, officers, employees, and agents who, voluntarily or by means of a suspicious activity report/suspicious transaction report, report suspected, or known criminal violations or suspicious activity **may not** notify any person involved that the transaction has been reported.

5. DEVELOPING THE SAR/STR NARRATIVE

The SAR/STR report narrative should be provided in the ‘REASON FOR SUSPICION’ section of the submitted SAR/STR forms within the goAML platform. This narrative / reason acts as a summary of the suspicious activity or transaction being reported. It should contain enough information for the FIA to analyse alongside the supporting documentation. It is vital for the reporting party to bear in mind that the Analyst handling the disclosure may not be familiar with the specifics of your business or have an in-depth understanding of your client. Therefore, it is essential to clearly detail the relationship between your business and the named subjects within the report, and to include information on any services provided to these subjects. Without this information, it can be challenging for the Analyst to fully comprehend the reported matter.

If the reporting party has engaged with law enforcement prior to submitting a SAR/STR, this should be noted in the narrative, along with relevant contact details. The report should also include contact information for the primary and secondary contacts of the reporting party, specifying which individual is responsible for each report. *Please attach a copy of the internal SAR but ensure that your narrative is clearly stated in the “reasons for suspicion” section.*

Avoid acronyms and jargon – they may not be understood by the recipient and are open to misinterpretation. If describing a service provided or a technical aspect of your work, please provide a brief synopsis in your SAR/STR to aid the reader.

Previous SAR/STR reference if the subject has been the subject of a SAR/STR.

As a basic guide, wherever you can, try to answer the following six questions to make the report as useful as possible:

5.1. WHO is involved?

Include the full legal name and address of the customer or remitter.

The following should be included when identifying involved parties:

- The full legal name, known aliases,
- Date of birth of all individuals involved in the suspicious activity or transaction,
- Their employer, occupation and title held,
- Business and residential address (es),

- Indicate whether domestic or foreign Politically Exposed Persons are involved,
- Outline the relationship between involved persons (i.e. business associates, colleagues, familial relationship).

If the reported subject (e.g. client/customer) has been the subject of a previous SAR/STR submitted by your organisation, please include previous FIA references numbers.

5.2. WHAT is the activity or transaction?

Describe the suspicious activity or transaction, the criminal property involved, its monetary value and source and ultimate use of funds. Clearly outline what instruments or mechanisms (including structures, administrative services, or service delivery channels) were used to conduct or facilitate the suspicious activity e.g. cash, cheque, digital assets businesses services etc.

5.3. WHERE did the activity or transaction take place and where are funds involved held?

Provide the location of the activity or transaction. Indicate all local and international financial institutions involved, type of account and corresponding account numbers.

5.4. WHEN did the activity or transaction take place?

Indicate the date of the activity and its duration. If the activity takes place over a period a time, clearly identify the date the suspicious activity was detected. If there are multiple transactions to report, please enter each in a chronological order with individual dates and amounts under the Transactions section.

5.5. WHY are you suspicious?

Clearly identify WHY is the activity considered suspicious, and what are the reasons for reporting. Provide a brief description of the nature and purpose of the client account to which to the suspicious activity or transaction relates. Include reasons and indicators for suspicion outlining the inconsistency with the client's profile, normal behaviour, and business activity. Follow up actions such as intent to terminate business relationship and close client accounts should also be included.

5.6. HOW was the activity or transaction executed?

Provide details on how the activity or transaction occurred.

6. EXAMPLES OF COMPLETE AND INCOMPLETE REPORTS

6.1. Examples-Money Services Business

Incomplete MSB SAR/STR

INCOMPLETE MONEY SERVICES BUSINESS SAR/STR

Narrative

Lauren SWAN (DOB December 27,1956) has recently started sending money out. We have noticed a pattern of large transactions to Cambodia. Mrs. SWAN has been using two locations for sending her cash out. Her reasons have been for household goods and clothing. We do believe this could be a possible scam against Mrs. SWAN and have made a note to take additional information regarding this business back in Cambodia and require invoices for items she claims to be receiving. We will continue to monitor closely for future transactions.

Action

Ongoing monitoring for Mrs. Swan

goAML Indicators selected

- Ongoing Monitoring
- Scams – Business Email compromise (BEC)
- Scams – Investment related
- Cancelled Transactions
- High Risk Country
- Money Laundering
- Money Transfer
- MSB
- Retired
- Elder Abuse
- Similar Address/Jurisdiction
- Third Party (sending on behalf of another)

Supporting Documents provided

Bermuda Senior's identification card

Missing Information

- Copies of the transactions (dates, values, and recipients)
- No information provided to support report indicators selected-business email compromise and investment related

Complete MSB SAR/STR

COMPLETE MONEY SERVICES BUSINESS SAR /STR

Narrative

Janet WILLIAMS (DOB May 27,1973) has been a customer since 2018. Mrs. WILLIAMS had recently started sending money out and we noticed the amounts were much larger than previous transactions.

On September 16, 2021, Mrs. WILLIAMS asked our agent if she could send \$925.00 to the USA to a Jonathon FOSTER. She told the agent she was sending on behalf of her husband as he was unable to send as he was blocked. The agent took note and noticed she had handed her a small yellow paper with information and name. When asked the purpose she said for her husband's payments. The agent felt that Mrs. WILLIAMS was not being honest with her reasons of sending. She sent the transaction and cancelled. Later that afternoon Mrs. WILLIAMS called the shop and told the agent that she no longer needed Jonathon FOSTER to pick up the cash and she wanted to change the transaction to help a cousin. The agent told her over the phone that her transaction was rejected and that she needed to collect her cash back. The agent knew she was going to try to resend her cash at another location, so she sent a message to other locations to look out for Mrs. WILLIAMS as she had done a transaction and was rejected as Mrs. WILLIAMS was structuring funds out for her husband, Dean WILLIAMS.

On September 17, 2021, Mrs. WILLIAMS returned to send cash out. The agent was aware of Mrs. WILLIAMS from the message received from the other agent and took down all information. Mrs. WILLIAMS told the agent she needed to send out \$1,850.00 to Cambodia. She claimed it was for a good friend, by the name of Sunisa DA YUN who was having difficulties, and she wanted to help her out. The agent processed and then cancelled the transaction. Mrs. WILLIAMS then came back that afternoon and collected her cash.

That same afternoon Mrs. WILLIAMS went to a second location to send \$800.00 but this time came with her friend who was influencing her to send money. The agent noticed her friend telling her to whom to send to and write cousin as the relation to person. The name of the person was Francesca Lucia Acosta LOPEZ. The agent took all the information then processed and cancelled the transaction. The agent told Mrs. WILLIAMS that her transaction was rejected back to her and that her name was blocked in the system which was no longer allowing her to send any cash out.

7. SUPPORTING DOCUMENTS

All documents referenced in the submission, and which were crucial in forming your suspicion and creating the filing should be attached to the original submission. The following key documents should also be considered when submitting a SAR/STR to determine if they provide confirmation or clarification of the report and would reduce the need for the FIA to make formal requests minimizing the time to complete the analysis. The FIA understands documentation may be limited depending on the relationship with the subject(s) being reported.

7.1. Natural Persons

- **MANDATORY** - Certified passport or other government issued identification for all citizenships held
- **MANDATORY** - Certified proof of residential address
- Declaration of source of wealth/funds where available.
- Remittance forms indicating sender and beneficiary details, amounts, currencies, source and destination of funds involved.

COMPLETE MONEY SERVICES BUSINESS SAR /STR (cont'd)

She told the agent “Good, more money for me”. Mrs. Williams took her cash and left the shop. We do believe Mrs. Williams was structuring and sending third party sends on behalf of others.

Action

Mrs. Williams’ transactions were processed then cancelled with funds refunded to her. She has been blocked from sending money.

goAML Indicators selected

- Cancelled Transactions
- Declined/Refused business – suspected criminal activity
- High Risk Country
- Money Laundering
- MSB
- Send as Gift
- Send to Family/Friend
- Similar Address/Jurisdiction
- Smurfing
- Split Transaction
- Structuring
- Third Party (sending on behalf of another)

Supporting documents provided

- Janet Williams’ Driver’s Licence
- Copies of transactions

8. RETENTION PERIOD

Financial institutions shall retain the following for five years from the date of the filing:

- A copy of all filed SARs/STRs
- The original or business record of any supporting documentation
- All supporting documentation for the benefit and/or use of the FIA and any other appropriate local law enforcement agency or regulatory authorities.

9. SEEKING CONSENT TO CONDUCT A TRANSACTION

For detailed guidance on seeking Consent, please refer to our standalone Consent Guidance document which is available on the FIA’s website at <https://www.fia.bm/consent-regime/>.

10. RED FLAG INDICATORS

The following list is not exhaustive and may be updated as emerging money-laundering and financing of terrorism trends and patterns evolve. The existence of an indicator may not alone imply suspicion but combined with other indicators may suggest a suspicious transaction.

10.1. Red Flag Indicators for Money Services Business

1. Customer provides false or misleading information
2. Unusual or suspect source of funds or refusal to provide source of funds information
3. Customer is unwilling, unable or uncontactable to provide information for CDD purposes
4. Customer is linked to adverse media relating to a suspect activity or law enforcement investigation
5. Substantial increase(s) in the number of transactions/ frequency/ amounts by a customer without apparent cause, especially if remittances are made to a destination/ person not normally associated with the customer
6. Customer is suspected to be conducting transactions on behalf of a third party
7. Customer resides in or the transaction involves a jurisdiction known to have inadequate anti-money laundering and counter financing of terrorism framework or a jurisdiction in which the FATF has called for countermeasures or enhanced client due diligence measures
8. There is lack of apparent relationship between the sender and beneficiary, and/or personal remittances sent to countries or jurisdictions that have no apparent family or business link to customer, and/or the customer has no relation to country where he/she sends/receives the money and cannot sufficiently explain why money is sent there/received from there
9. Numerous transactions by a customer, especially over a brief time, such that the amount of each transaction is not substantial, but the cumulative total of which is substantial
10. Transactions for which customers fail to provide a legitimate reason when asked
11. Banknotes are in small denominations and dirty; stains on the notes indicating that the funds have been carried or concealed or notice a musty or smoky smell on the notes; notes are packaged carelessly.
12. When funds are counted, there is a substantial difference between the actual amount and the amount indicated by the customer (over or under).
13. The customer only knows the amount to be remitted after service provider has counted the customer's money
14. Customer is accompanied by others who keep a low profile or stay just outside the premise.
15. Customer appears to be unsure when asked for further details
16. Two or more customers appear to be trying to avoid reporting requirements and seem to be working together to break one transaction into two or more transactions
17. Transfers from one or more senders often from different countries and/or in different currencies to a local person over a brief time
18. Unexplained changes to the receiver's information-name, address

For a more extensive list of red flags ML/TF indicators categorised, consult the FIA’s Indicators list document located on its website [HERE](#).

11. REPORTING RESPONSIBILITIES

It is the responsibility of all Bermuda-supervised reporting entities to ensure that a Reporting Officer (Money Laundering Reporting Officer (MLRO)) is appointed or designated and is adequately trained, in accordance with section 17(1) and (3) of the Proceeds of Crime Act 1997.

The MLRO must be registered with, and have access to, the Financial Intelligence Agency of Bermuda’s designated reporting platform in order to submit Suspicious Activity Reports (SARs) and Suspicious Transaction Reports (STRs) where the reporting officer knows, suspects, or has reasonable grounds to suspect that a person or entity is engaged in money laundering or terrorist financing.

It is strongly recommended that reporting entities establish internal policies and procedures to ensure that:

1. A Reporting Officer (MLRO or other designated reporting person) is appointed at all times.
2. An Alternate Reporting Officer is registered and authorised to submit reports in the absence of the Reporting Officer.
3. The Reporting Officer and/or Alternate Reporting Officer are adequately trained to use the FIA’s reporting system, submit SARs/STRs, and receive and respond to additional requests from the FIA, including requests made pursuant to section 16 notices;
4. A group notification email address is maintained to ensure that the compliance department, or other designated personnel, receive all confirmations of receipt and follow-up communications issued by the FIA.
5. In the event of the departure, resignation, or termination of the MLRO or Alternate MLRO, the reporting entity must immediately appoint a suitably trained replacement and ensure continuity of reporting obligations through the FIA’s designated reporting platform.

12. goAML SUPPORT CONTACT DETAILS

For assistance registering on goAML platform or with submitting SARs and STRs, the FIA can be contacted as follows:

Tel: 441-292-3422 ext. 8005 (Option 3)

Email: goaml_support@fia.bm

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