



# CASE STUDY

Spontaneous Disclosure Involving a  
Designated Sanctioned Person

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## Introduction

The Financial Intelligence Agency (FIA) is Bermuda's Financial Intelligence Unit (FIU), established in part to meet the recommendations of the Financial Action Task Force (FATF), including FATF Recommendation 29, which calls for countries to establish an FIU that serves as a national centre for the receipt and analysis of suspicious transaction reports and other information relevant to money laundering, associated predicate offences, and terrorist financing, and for the dissemination of the results of that analysis.

In carrying out its functions, the FIA collects Suspicious Activity Reports (SARs) and Suspicious Transaction Reports (STRs) from regulated entities and others, as required under Bermuda's Proceeds of Crime Act (POCA). The FIA then analyses the data provided to uncover activities and patterns that may indicate money laundering, terrorism financing, or other related criminal activities. This intelligence is disseminated to local law enforcement, regulators, and certain international partners.

## About Case Studies

Case studies published by the FIA are sanitised, representative examples of intelligence cases disclosed by the FIA during the reporting period. As part of the FIA's commitment to the fight against money laundering, terrorist financing, and related crimes, case studies are produced to assist reporting entities in identifying and reporting suspicious activity.

## Indicators and Red Flags

The FIA has identified indicators of money laundering and terrorist financing within its case studies. These indicators are generalised underlying principles identified by the FIA and its international partners. A list of common identifiers has been compiled and coded into the FIA database. When filing a SAR, reporting entities are able to choose from a list of over 100 indicators. In the context of individual case studies, an indicator can be considered a "Red Flag" which could serve as a basis for suspicion by a reporting entity.

## Case Study: Spontaneous Disclosure Involving a Designated Sanctioned Person

### STR Details

The FIA received a spontaneous disclosure from an overseas FIU regarding a sanctioned person of a foreign nationality who was the beneficial owner of a company registered in that overseas jurisdiction, which in turn holds 100% shares in a Bermuda-registered company. The individual was identified as being involved in the chemical sector, a sector of strategic significance to the relevant government.

### FIA Analysis

The FIA database contained no records of the individual or affiliated companies. The Registrar of Companies confirmed the Bermuda company's details, including its sole director who was a resident in a foreign jurisdiction. Dow Jones checks confirmed the individual appeared on multiple sanctions lists. The FIA provided spontaneous disclosures to the Customs Department Joint Intelligence Unit, Bermuda Police Service, and the Financial Sanctions Implementation Unit.

### Red Flags

- Transactions involving sanctioned entities or countries.
- Involvement of entities with complex corporate or trust structures not justified by the business profile.
- Use of intermediaries or shell companies without a clear economic reason.
- Dealing with individuals known to be involved in illicit activities.
- Frequent changes in business partners or transaction patterns.