

Top 13 Red Flags for Money Laundering

Detecting suspicious transactions in the investment industry

Regulatory compliance, reputation and business integrity are all at risk when it comes to money laundering schemes in investment services. It's time to get smarter about anti-money laundering.

Know the Warning Signs

Prevent money laundering by flagging these signs of suspicious activity.

Individual Level

The customer's transactions appear to be undertaken in a structured manner to avoid transaction monitoring/reporting thresholds

Investment exceeds normal value for income or occupation



Changes of address, beneficiary or ownership following a large payment

Transactions/ investment orders on behalf of a third party from a source that has no apparent connection to the customer



Activity Level

Unusual/deviating trading activity (volumes, frequency, type of trades and products)



Unusual volume of penny stock trades



Unusual trading activity compared with investor risk tolerance profile (deviating patterns such as significant risk-taking or significant losses)

Deviation between settlement activity and trading activity

Simultaneous sells and buys in the same financial instrument with no concern for financial gain

Account Level

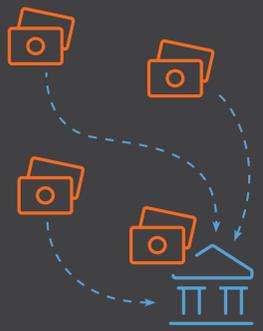
Funds/securities transferred into an account that are subsequently transferred out of the account in the same or nearly the same amount

Funds/securities transferred to financial institutions other than those from where the funds were initially received, specifically when different countries are involved



Wire/securities transfers and payments are made to or from unrelated third parties (foreign or domestic), or where the name or account number of the beneficiary or remitter has not been supplied

Multiple wires from the same external account to the securities account



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