

Effective suspicious matter reporting

Why are suspicious matter reports important?

The SMRs you submit are the 'eyes and ears on the ground' for AUSTRAC, law enforcement and other regulatory agencies.

They are vital in our fight to combat serious crime and terrorism and may be used by government agencies like the Australian Federal Police to help catch criminals and keep our community safe.

Grounds for suspicion

When completing your SMR, the **first sentence in your grounds for suspicion** should explain why you are suspicious and why the suspicious matter is being reported.

After reasons for the suspicion have been clearly stated, you should then provide any supporting information and specific details.

Provide a clear, concise explanation of the suspicious activity or behaviour, including:

- Your view of the situation – what you think is happening and why you think the customer/s behaviours are suspicious.
- The smaller details – every insight is valuable to investigators.
- Any expert knowledge – what you know and tell us will provide a clearer picture of what's going on.

Suspicious matter reporting applies to any crime from money laundering to terrorism financing, from fraud to insider trading, tax evasion and romance and investment scams, and more.



What to provide

Staff at ABC remittance detected a likely attempt to launder funds when a customer repeatedly requested to transfer money, using what staff thought was a false ID.

This statement is an effective first sentence for a grounds for suspicion. It states clearly what criminal activity you believe might be going on, the customer involved and the transaction type.



What NOT to provide

Jonathan Smith's activity is considered suspicious.

This statement is not effective – we need to know why it is considered suspicious and what led you to form the suspicion.

Don't assume AUSTRAC has any prior knowledge of the individual or activity and always make sure you include full and complete details.

Only use acronyms which are common and in general use. Remember, we are unlikely to know the name of your IT systems, your internal team names or the details of your business and industry.

Detailed customer information

Your report should include relevant information about the customer/s connected to the suspicious activity, such as:

- behaviour, for example if the customer seemed nervous, or the customer was being told to conduct the transaction by someone else
- their occupation or other known source of wealth
- any associates you believe may be linked to the suspicious activity
- additional information known about the customer that you have obtained when conducting enhanced customer due diligence, such as the source of their wealth/funds, forms of identification, different phone numbers provided, or their previous history
- the customer's physical appearance.

Include a summary of what led to your suspicion, the enhanced customer due diligence that you have applied and what it revealed. You should include any actions you have taken as a result.

Detailed transaction information

Your report should include other known and relevant information about the transaction/s involved, such as:

- the source of funds
- the purpose of the transaction
- previous transactions or history
- other customers' transactions that are linked to the suspicious transaction.

Other connected transactions

Domestic transfers and cash transactions may add to the context of the suspicion, regardless of the size of the transaction. They can often be the cause of the suspicion – so make sure you include them in the report. Knowing about small value transactions can be critical in detecting serious crime, such as terrorism and child exploitation.

Multiple small transactions also help to detect if a customer is making structured payments to try and hide their activity.

Timeliness

If your SMR relates to terrorism, it must be submitted **within 24 hours** of you forming the suspicion. For all other matters SMRs must be submitted **within three business days** of forming the suspicion.

The timeliness of submitting an SMR is crucial. How quickly you submit an SMR can make the difference in helping to prevent a serious crime from happening.

If you have submitted a report previously, include a reference in your SMR.



Completing your SMR

Your SMR should be reported through your AUSTRAC Online account.

Make sure all the fields are **correct** and **complete**. Check you have included all the known information, including:

- customer's title and full name
- other names that the customer is known by (known aliases)
- customer's **full** address, including postcodes – don't use post office box numbers (PO/GPO) for street addresses
- customer's phone number/s
- email addresses
- currency codes
- country codes/details
- ABN and/or licence numbers
- the **source** and **destination** countries, if applicable.

For more information contact the AUSTRAC Contact Centre

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