

MONITORING BUSINESS RELATIONSHIPS AND CUSTOMERS' TRANSACTIONS

You have an obligation to monitor the business relationships with your customers including their transactions. To enable you to do this, you must develop and adopt systems including processes to enable you to monitor your customers' transactions.

The objective of these monitoring systems and processes is to enable you to identify any **complex, unusual or large transactions or patterns of transactions** conducted by your customer that have no apparent economic or lawful purpose.

The extent to which you monitor a customer should depend on the **risk of money laundering and terrorist financing** that a customer or product/service offered poses on your business.

If a customer or product/service is assessed as having a lower risk of money laundering or terrorist financing, you may undertake a less stringent level of monitoring. If the risk of money laundering and terrorist financing is assessed as high, you are required to undertake a more stringent or enhanced level of monitoring.

The monitoring system and processes you adopt may be a manual or an automated system (or a combination of both) depending on the nature and size of your business and the complexity of its operations and services.

This monitoring process must occur during the course of a business relationship with your customer until such time that business relationship ends. This is also referred to as **continuous due diligence** of the customer and the business relationship.

As part of this ongoing monitoring process, you must pay special attention to your customer's transactions to ensure that they are consistent with your knowledge of the customer, the customer's business, type of business and source of funds.

If a transaction (or series of transactions) conducted by a customer is not consistent with your knowledge of the customer's background, you must assess the business relationship, customer profile together with the risk of the customer before deciding on appropriate action to take.

a) If there are reasonable grounds to suspect that the transaction(s) is/are linked to the **commission of a serious offence or a money laundering or terrorist financing offence**, you should report the transaction(s) to the Financial Intelligence Unit as a suspicious transaction report.

b) If there are no reasonable grounds to suspect that the transaction(s) is/are linked to the **commission of a serious offence or a money laundering or terrorist financing offence**, there are no grounds for further reporting of this transaction(s). You must continue to monitor the business relationship.

All staff involved in this monitoring process must be aware of their role and the procedures that apply.



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