

General

[INSERT FULL COMPANY NAME]'S RED FLAG INDICATOR SHEET				
Item #	INITIAL CUSTOMER DUE DILIGENCE: RED FLAGS	Applicable?	Action to be taken?	Assessment of Risk
	Indicators Relating to Customer Identification and Behaviour	Yes/No	E.g.: refuse customer, enhanced CDD, further investigation, senior manager approval, report to AUSTRAC	E.g.: Low/Medium/High
1	The customer refuses or is reluctant to provide their customer identification information, or provides vague information during KYC procedures.			
2	The customer or claimant provides identification information that is false, misleading, vague or cannot be verified or authenticated.		Report to AUSTRAC	High
3	The customer provides fraudulent, forged or expired identification documents.			
4	The customer provides identification documents are inconsistent with expected formats, appear altered or have inconsistencies.			
5	The customer provides a verification document that is a photograph of data on a computer screen, or the customer presents identification documents or images with a file name that apparently indicates it was generated from a social media platform.			
6	The customer is from, or present in a high risk country.			High
7	The customer uses an email account from a high-privacy email service provider.			
8	The customer provides: *a post office box or private service provider's address instead of a residential address *residential address details of a vacant or non-existent property *an address that is not the customer's permanent address e.g. the customer provides a temporary accommodation address such as a hotel.			
9	The customer is a temporary resident in Australia, whose visa was recently obtained or about to expire.			
10	[insert defined company name] suspects the customer is staying in Australia illegally.			
11	The customer is physically located or (incorporated) outside of Australia.			
12	The customer provides identification information that is the same as that provided by a previous customer (e.g. the customer provides a residential address that matches that of a previous customer and both customers are not related.)			High
13	The non-individual customer refuses or is reluctant to provide information about beneficial ownership.			
14	The non-individual customer is registered in a jurisdiction with opaque corporate registers where information on ultimate beneficial ownership is not easily accessible.			
15	The non-individual customer is obfuscating its identity and activities by using aliases and transliteration of company names, using subsidiaries or branches, or using third-country nationals in corporate ownership structures.		Report to AUSTRAC	High
16	The non-individual customer shares directors and management, addresses, emails, phone numbers and financial infrastructure with other entities in their networks.			High
17	The customer has sources of wealth or sources of funds that are unexplained and/or inconsistent with their profile.		Report to AUSTRAC	High
18	The customer cannot explain or provide evidence for the source of their funds.		Report to AUSTRAC	High
19	The source of funds is a bequest under a will.			
20	The customer is engaged in a business which involves a significant amount of cash or deals with high-value goods (e.g. bullion, precious minerals and metals, luxury goods, real estate, etc.).			
21	The customer appears to be acting under the direction of a third party, or appears coached or rehearsed when answering personal and onboarding questions.			High
22	The customer is in a hurry to complete the transaction and/or asks if they can provide the identification information later.			

Financial Planners

[INSERT FULL COMPANY NAME]'S RED FLAG INDICATOR SHEET				
Item #	INITIAL CUSTOMER DUE DILIGENCE: RED FLAGS	Yes or No?	Action to be taken?	Assessment of Risk
Indicators Relating to [insert defined company name]'s Financial Planning Business			E.g.: refuse customer, enhanced CDD, further investigation, senior manager approval, report to AUSTAC	E.g.: Low/Medium/High
1	The customer has sources of income that are unclear or confusing.		Report to AUSTAC	High
2	The customer is a client of a bank that is intending to close their accounts (also known as 'de-risking' or 'de-banking').			
3	The customer uses company or trust structures with unclear beneficial owners.			
4	The customer uses another person to act on their behalf with no economic rationale.			
5	The customer approaches [insert defined company name] with a cash total in excess of their annual income from running their own business.		Report to AUSTAC	High
6	The customer has suspicious property ownership arrangements.			
7	The customer requests advice on overly complex company or trust structures that do not meet their financial needs or have no economic rationale.			High
8	The off-shore customer has overly complex layers of corporate and/or nominee shareholders and directors.			
9	The customer has multiple accounts (including personal accounts, joint accounts and trust accounts) without any economic rationale.			
10	The customer changes bank details by email or online soon after changing their contact details.			
11	The customer requests [insert defined company name] to transfer funds to a conflict zone jurisdiction or a jurisdiction neighbouring a conflict zone.			High
12	The customer asks whether an exclusion period on an insurance policy can be reduced or whether a benefit can be paid to someone other than the stated beneficiary or policy owner.			
13	The customer asks how long they need to pay premiums on an insurance policy before a claim can be made.			
14	The customer asks to establish a Self-Managed Superannuation Fund ("SMSF") without being able to show source of funds or ownership for the initial transfer of funds.			High
15	The customer expresses unusual urgency in an email request for transactions to occur.			
16	The customer requests changes to their financial investment strategy with no economic rationale.			

Life Insurance

[INSERT FULL COMPANY NAME]'S RED FLAG INDICATOR SHEET				
Item #	INITIAL CUSTOMER DUE DILIGENCE: RED FLAGS	Yes or No?	Action to be taken?	Assessment of Risk
Indicators Relating to [insert defined company name]'s Life Insurance Business			E.g.: refuse customer, enhanced CDD, further investigation, senior manager approval, report to AUSTRAC	E.g.: Low/Medium/High
1	The customer is suspected of purchasing insurance using a fake name, a figurehead, a fictitious business or entity.		Report to AUSTRAC	High
2	The customer is classified as higher-risk by the insurer/intermediary, or operates in a higher risk industry or profession.			High
3	The customer uses intermediaries who are not subjected to the same AML/CTF obligations as [insert defined company name].			
4	The customer has complex ownership and control structures involving multiple layers that make it difficult to identify the beneficial owner of the policy or the beneficiary.			
5	The customer is referred by a company established in a higher-risk jurisdiction.			High
6	The customer remits a premium payment from a higher-risk jurisdiction.			High
7	The customer uses intermediaries based in higher-risk jurisdiction.			High
Item #	ONGOING CUSTOMER DUE DILIGENCE: RED FLAGS	Yes or No?	Action to be taken?	Assessment of Risk
Indicators Relating to [insert defined company name]'s Life Insurance Business			E.g.: refuse customer, enhanced CDD, further investigation, senior manager approval, report to AUSTRAC	E.g.: Low/Medium/High
8	The customer makes similar types of claims at a noticeable frequency.			
9	The customer purchases a product that requires a large lump-sum premium payment, with no reasonable explanation provided.			High
10	The customer purchases a product without concern for the coverage or benefits, or the customer only cares about the procedures for policy loan, cancellation or changes to the policy.			
11	The customer who usually pays their premium through regular payments, suddenly requests to purchase a large-sum policy paying the premium in one payment.			High
12	The customer asks if they can pay premium payments in cash.			High
13	The customer purchases an insurance product that makes no economic sense or would not be of any value to them given their circumstances.			
14	The customer or claimant refuses to provide necessary information or documentation, or to cooperate with the internal investigation for the claim inquiry.			
15	The customer purchases products with high-value cash premiums over a short period of time, which do not appear to align with their status, income and/or are unrelated to the nature of their business.			