



Suspicious Activity Reporting (SAR)



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Introduction

Inter City Money Ltd is a UK-based Authorised Payment Institution, fully regulated by the Financial Conduct Authority (FCA) under FRN 514406. We specialise in providing secure, efficient, and compliant money remittance services to individuals and businesses. Our mission is to revolutionise financial transactions by leveraging cutting-edge technology while maintaining the highest standards of regulatory compliance and customer protection.

Under the leadership of Mr. Taliq Hussain—Director and MLRO (Money Laundering Reporting Officer)—Inter City Money Ltd benefits from his extensive expertise and strategic oversight. His dual role ensures robust governance and a strong compliance framework, reinforcing trust and reliability in our services.

As we grow, we remain dedicated to innovation, customer education, and regulatory excellence, setting new benchmarks in the financial industry.

Statement of purpose

Inter city Money Ltd is required by law to have a suitable SAR Procedure and Policy in place to submit a SAR to the NCA.

This Policy is therefore required reading for all members of staff at Inter City Money Ltd, as part of their ongoing training program.

This Policy will be periodically reviewed, to allow both for the revision of procedures that are detailed herein, and to develop further procedures in line with evolving requirements of Inter city Money Ltd.'s business.

Training and competence

Inter city Money Ltd.'s requirements

As a condition of your employment with Inter City Money Ltd, you are required to confirm that you have read and understood the contents of this Policy. You will also be required to take and pass Inter City Money Ltd.'s online training tests on a regular basis. These tests are designed to

check your understanding of Inter City Money Ltd.'s various policies, and so you are advised to regularly refresh your knowledge and understanding by referring to this Policy.

Overview of Money Laundering

Money laundering operations are designed to take the proceeds of illegal activity and disguise the existence, source, or application of those funds so the proceeds appear to come from a legitimate source. Money laundering is a common element in many fraud, corruption and terrorist-financing cases and has an economic impact on most businesses and government entities.

General Modus Operandi of Money Laundering

- Placement: "Placement" refers to the physical disposal of bulk cash proceeds derived from illegal activity.
- Layering: "Layering" refers to the separation of illicit proceeds from their source by creating complex layers of financial transactions. Layering conceals the audit trail and provides anonymity.
- Integration: "Integration" refers to the re-injection of the laundered proceeds back into the economy in such a way that they re-enter the financial system as normal business funds.

Understanding PEP

A politically exposed person (PEP) is an individual who is or has been entrusted with a prominent public function. PEPs are higher-risk customers for financial institutions because they have more opportunities than ordinary citizens to acquire assets through unlawful means like fraud and bribe-taking and thus are more likely to launder money. That said, being PEP does not in itself associate to being a criminal or suggest a link to abuse of the financial system.

Identifying suspicious activity

- A customer asks an employee how to avoid a reporting requirement.
- A customer threatens or bribes an employee to avoid providing information or having a report filed.
- A customer uses an apparently fake identification or more than one customer tries to use the same identification.
- A customer refuses to proceed with a transaction when asked for identification.
- A customer refuses to provide all of the information required or seems excessively nervous or anxious.
- A customer (or group of customers working together) sends or receives money transfers in amounts just below the recordkeeping thresholds or to avoid reporting. This would include anytime a transaction requires the customer to present identification.
- A customer conducts transaction that are unusually large based on their past history, employment or level of income

What is a SAR?

A SAR is a Suspicious Activity Report, a piece of information which alerts law enforcement that certain client/customer activity is in some way suspicious and might indicate money laundering or terrorist financing.

Submitting a SAR provides law enforcement with valuable information on potential criminality. It also protects you, your organisation and UK financial institutions from the risk of laundering the proceeds of crime. By submitting a SAR to the NCA, you will be complying with any potential obligations you have under the Proceeds of Crime Act 2002 (POCA).

The term “suspicious transaction” in the anti-money laundering terminology was initially used by the Financial Action Task Force on Money Laundering (FATF) in the Forty Recommendations concerning the eradication of criminal acts of money laundering. In practice, every state may use different terms. The term used is not only “suspicious transaction”, but also other terms such as “unusual transaction”.

Therefore, if a transaction is suspected, a DAML request must be submitted to the UKFIU under POCA and TACT, in line with the SARs Reporting Guidance issued by the NCA.

A SAR defense request should provide the below basic information:

What information does the UKFIU need for a SAR?

- **Who** is involved
- **What**
- **Where** the criminal/terrorist property is and its value (estimated as necessary)
- **When**
- **How** circumstances arose and are planned to happen, and ultimately
- **Why** you are suspicious or have knowledge.

Recordkeeping of Suspicious Transaction Reports

Record must be kept of the SAR report and all supporting documentation for at least five (5) years from the date of filing.

Tipping Off

It is also an offence to “tip off” (i.e. inform) a person suspected of money laundering that (a) he or someone else has made a lawful disclosure (i.e. a SAR) or (b) there is a money laundering investigation taking place, where the tipping off is likely either to prejudice any investigation arising from the disclosure or to prejudice the investigation disclosed to the person suspected of money laundering.

Our Internal process for SARs

All transactions conducted by Inter City Money Ltd are subject to thorough scrutiny by our internal Compliance team. Our staff will be trained to promptly report any suspicious activity, such as customers acting in a suspicious manner or receiving instructions from external sources during transactions. After a transaction is completed, our Compliance team will conduct comprehensive checks to assess any concern or suspicious activity that might not raise by staff. These checks may include a review of the customer's transaction history, the number of beneficiaries involved, and the purpose behind the transaction.

If the Compliance team identifies any factors that are not adequately addressed by the staff's initial SAR, they have the authority to escalate the issue by submitting an internal Suspicious Activity Report (SAR) to the Money Laundering Reporting Officer (MLRO) for further review and decision-making. The MLRO, after a meticulous examination of the situation, will determine whether the suspicion raised by the staff or agent is well-founded. If the MLRO deems the suspicion to be valid, a report will be filed with the appropriate regulatory authority, the National Crime Authority (NCA).

As a money service business in the regulated sector, Inter City Money Ltd also required to make a Suspicious Activity Report (SAR) as soon as possible after Company know or suspect that money laundering or terrorist financing is happening. This means that the facts Company has about the persons involved and the transaction would cause a reasonable person in our position to have a suspicion.

Company submits a suspicious activity report to the NCA-by-NCA online portal.

Company will provide regular training for staff in what suspicious activity may look like in our business and Company keeps records of that training, who has received it and when. The nominated officer must be conversant with guidance on how to submit a report and in particular be aware of the codes detailed in the glossary that must be used in each report.

A suspicious activity report must be made to the NCA no matter what part of your business the suspicion arises in. The tests for making a report about terrorist financing are similar. Company must make a report if you know, suspect or had reasonable grounds for knowing or suspecting

that another person committed or attempted to commit a terrorist financing offence.

Mainly SAR Reports are generated by Internal Compliance Team based on the Activity, trends, beneficiary as well as rationale of the transaction.

Staff should use the internal 'Suspicious Activity Report Form'.

The SAR should contain as a minimum the following information:

- *Date/time of transaction*
- *Amount*
- *Customer name/customer ID information (e.g. passport number, etc.)*
- *Transaction number*
- *Reason for suspicion of transaction*

If in doubt, the staff member should call the MLRO to discuss the reasons for their suspicion – however, they should be careful not to do this whilst the customer is standing in front of them (they may 'tip off' the customer otherwise, see below).

Once the MLRO receives the internal SAR from the staff member, the MLRO has two options:

- Report the SAR on to National Crime Agency
- File an internal note indicating why, on the basis of review of the circumstances around the transaction, it is judged not necessary to make a report to NCA.

The MLRO should complete the MLRO Internal SAR form in the event he decides not to make a report to NCA.

Making A Suspicious Activity Report to NCA

A suspicious activity report (SAR) is the name given to the making of a disclosure to NCA under either Proceeds of Crime Act or the Terrorism Act. NCA has issued a preferred form to be completed when making a SAR, which may become mandatory in the future. NCA encourages firm to start using the preferred form now.

Preferably, firms should use SARs Online [SAR Portal | Landing page](#). This securely encrypted system provided by NCA allows firms to:

- register the firm and relevant contact persons
- submit a SAR at any time of day
- receive e-mail confirmations of each SAR submitted

SARs can still be submitted in hard copy, although they should be typed and on the preferred form. Firms will not receive acknowledgement of any SARs sent this way.

The Financial Intelligence Helpdesk can be contacted on 020 7238 8282. Staff of Intercity Money Ltd can contact NCA on this number for:

- help in submitting a SAR or with the SARs online system
- help on consent issues
- assessing the risk of tipping off so you know whether disclosing information about a particular SAR would prejudice an investigation

NCA is required to treat any SARs confidentially. Where information from a SAR is disclosed for the purposes of law enforcement, care is taken to ensure that the identity of the reporter and their firm is not disclosed to other persons.

It is our company policy that only the MLRO /Deputy MLRO can submit a SAR to NCA.

It is expressly forbidden for employees to make a SAR direct to NCA.

Dealing with the National Crime Agency

The disclosure regime for money laundering and terrorist financing is run by the financial intelligence unit within the National Crime Agency (NCA). NCA was created on 3 April 2006 by the Serious Organised and Police Act 2005. It is a law enforcement body devoted to dealing with organised crime within the UK and networking with other law enforcement agencies to combat global organised crime. For full details on NCA and their activities view their website at: <http://www.nationalcrimeagency.gov.uk/>

It is an offence for the nominated officer to proceed with a transaction prior to receiving a granted letter from the NCA within the 7 working day statutory time period". This period starts from the day after submitting the report.

The NCA has published information on obtaining a defence. Some of the key points include:

- a defence is only valid for the transaction reported - any future transactions by the same customer have to be considered on their own merits (and in the light of the suspicions that arose for the original one)
- Company can't ask for a general defence to trade with a customer, only to carry out a particular transaction

- the initial notice period is 7 working days from the date of the report; and if a defence is refused, the moratorium period is a further 31 calendar days from the date of refusal - if Company need a defence sooner, Company should clearly state the reasons for the urgency and perhaps contact the National Crime Agency to discuss the situation
- the National Crime Agency will contact Company by telephone and will confirm their decision in writing

SAR Relating to Regular and existing customers

Inter City Money Ltd consider following when deciding risk and whether or not to submit a suspicious activity report in relation to our regular and existing customers: -

- The transaction is different from the normal business of the customer.
- The size and the frequency of the transaction is different from the customer's normal pattern.
- The pattern has changed since the business relationship was established there has been a significant or unexpected improvement in the customer's financial position.

SAR Relating to Transactions

Inter City Money Ltd will consider following when deciding risk and whether or not to submit a suspicious activity report in relation to the transactions we carry out:

- A third party, apparently unconnected with the customer, bears the costs, or otherwise pays the transaction costs.
- An unusually big cash transaction
- The customer won't disclose the source of the funds.
- Unusual improvement of third parties, or large payments from private funds, particularly where the customer appears to have a low income.
- Unusual source of funds

Signed 

Date 16 May, 2025

Mr. Taliq Hussain