



**FCIB**

The Finance, Credit & International  
Business Association

*Service, Development, Growth*

# KYC: Possible Red Flags

Customer is evasive or unclear

Someone acting as an “agent”

**Dual use of product e.g A) Products ordered don't fit  
the line of business or B) Product incompatible with  
destination**

Customer unfamiliar with product use

Declines routine services (training, maintenance)

Willing to pay cash when terms would be the norm

Abnormal shipping route

Freight forwarder is final destination

Will not supply final destination





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Abnormal cash payments

Pressure exerted for payments to be made urgently or ahead of schedule

Payments being made through a third party country - for example, goods or services supplied to country 'A' but payment is being made, usually to a shell company in country 'B'

An abnormally high commission percentage being paid to a particular agency. This may be split into two accounts for the same agent, often in different jurisdictions

Private meetings with public contractors or companies hoping to tender for contracts





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# KYC: Possible Red Flags

Abuse of the decision process or delegated powers in specific cases

Agreeing contracts not favourable to the organisation either because of the terms or the time period

Unexplained preference for certain contractors during tendering period

Avoidance of independent checks on the tendering or contracting processes

Raising barriers around specific roles or departments which are key in the tendering or contracting processes





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## KYC: Possible Red Flags

Lavish gifts being received  
An individual who never takes time off even if ill, or holidays, or insists on dealing with specific contractors himself or herself  
Making unexpected or illogical decisions accepting projects or contracts  
The unusually smooth process of cases where an individual does not have the expected level of knowledge or expertise





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# KYC: Possible Red Flags

Bypassing normal tendering or contracting procedures

invoices being agreed in excess of the contract without reasonable cause

Missing documents or records regarding meetings or decisions

Company procedures or guidelines not being followed

The payment of, or making funds available for, high value expenses or school fees (or similar) on behalf of others

