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THE GOVERNMENT OF THE REPUBLIC OF LIBERIA
ANNOUNCES A REGULATION ON CURRENCY TRANSACTION
REPORTING FOR FINANCIAL INSTITUTIONS.

BY ORDER OF THE PRESIDENT

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MINISTER OF FOREIGN AFFAIRS

MINISTRY OF FOREIGN AFFAIRS
MONROVIA, LIBERIA
MARCH 18, 2016

REGULATION ON CURRENCY TRANSACTION REPORTING FOR FINANCIAL INSTITUTIONS



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REGULATION ON CURRENCY TRANSACTION REPORTING FOR FINANCIAL INSTITUTIONS

The Financial Intelligence Unit of Liberia (FIU), pursuant to the authority vested in it by §67.3, §67.4 and §67.5 of the Financial Intelligence Unit Act (FIU Act); hereby prescribe, make, regulate and set forth as follows:

PART ONE PRELIMINARY PROVISIONS

1.1 Reference and Citation

This regulation shall be known and cited as: Regulation on Currency Transaction Reporting for Financial Institutions (**Reference No: FIU/CBL/SR1A-CTR/02/2016**). The short name shall be CTR Regulation for FI's.

1.2 Objective of the Regulation

The purpose of this regulation is to implement Liberian laws and its international obligations pertaining to Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT), and specifically as it relates to promoting the mandatory filing of Cash Transaction Reports (CTRs) by financial institutions, to enhance systems to prevent and detect money laundering and terrorist financing, as well as enhance integrity of the financial system.

1.3 Application of the Regulation

This regulation applies to all classes of financial institutions as defined by the FIU Act and CBL Act.

1.4 Definition of Terms

In this regulation, unless the context otherwise indicates –

- (a) "Currency Transaction" means currency deposits, withdrawals, foreign exchange, purchase of monetary instruments with currency, or any other transaction which causes an exchange of currency where at least one party is a financial institution.
- (b) The definition of terms in the FIU Act, CBL Act and the Anti-Money Laundering and Terrorist Financing Act as well as other laws shall apply to term not specifically defined in this regulation.

PART TWO CURRENCY REPORT FILING AND EXEMPTIONS

2.1 Filing of Currency Transaction Reports

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- 2.1.1 Pursuant to §67.5, Section 3 of the FIU Act, financial institutions transacting in currency are required to file CTR in accordance with the currency transaction threshold stipulated in this regulation.
- 2.1.2 Pursuant to §67.5, Section 3 of the FIU Act, financial institutions are required to file consolidated CTR for each day to the FIU no later than 3 working days after the occurrence of the transaction for which the CTR is being filed. If a currency transaction also qualifies as suspicious transaction, both CTR and Suspicious Transaction Report (STR) must be filed. The filing of CTR does not relieve a financial institution of the obligation to file STR.
- 2.1.3 Pursuant to §67.6, Section 5 of the FIU Act, financial institutions must keep copies of all CTRs and supporting documents submitted to the FIU for a minimum of five (5) years from the date the STR was filed to the FIU.

2.2 Currency Transaction Threshold

- 2.2.1 Pursuant to §67.5, Section 3 of the FIU Act, this regulation applies to currency transactions in Liberian dollars (LRD), United States dollars (USD) and the USD equivalent of currency transaction denominated in other currencies as stipulated in the table below:

USD	LRD	Type of Customer
5,000 & above	100,000 & above	Individuals
10,000 & above	1,000,000 & above	Businesses & Institutions

- 2.2.2 In order to determine whether the threshold trigger is met, where there is more than one transaction, the following shall apply:
- (a) currency transactions at a single entity means transaction from all branches made to or on behalf of a single entity or account holder shall be accumulated and treated as one transaction provided that all such transactions occurred within 24 hours;
 - (b) currency transactions to any particular account, irrespective of who made the deposits or withdrawals, or in what installments, provided that all such transactions, when aggregated, meet the threshold above and provided also that same occurred within 24 hours;
 - (c) all transactions, as indicated in *Appendix 1* (Structured Transaction), which are structured in such a manner as to put a reasonable person on notice that the person or institution involved is evading or attempting to evade the CTR threshold and by so doing avoiding a CTR filing.

2.3 Procedure for Reporting CTR

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Financial institutions must file CTR either through soft copy or hard copy, in the manner and form prescribed thus:

(a) Financial institutions should track all CTRs for the day ended and make a single batch report containing all the CTRs. A transaction or series of transactions on account of a single customer occurring within 24 hours must be aggregated and treated as a single transaction and reported using the following procedures:

- i. Identify the transaction(s) and pull said data into the respective fields on the CTR Excel Spreadsheet format provided by the FIU (soft copy), or use the CTR Form (SR1A) provided by the FIU and fill out the respective fields (hardcopy);
- ii. Verify that the data generated from the banking software is properly filled in the respective fields on the STR Excel Spreadsheet (softcopy), or verify that the data written or printed on the STR Form (SR1A) is correct (hardcopy);
- iii. Email the Excel Spreadsheet or burn the data on a CD, encrypt, sealed in an envelope or other container or medium and labeled "Confidential" (softcopy), or seal the completed CTR Form (SR1A) in an envelope or other medium and labeled "Confidential" (hardcopy);
- iv. Attach a cover letter stating the time frame the report was generated and specify the exact number of CTRs, and address it to:

Director / Chief Executive Officer
Financial Intelligence Unit of Liberia
Monrovia, Liberia

- v. Hand deliver sealed envelope to FIU office and make sure to log in your full name, delivery date and time, your cell number, and signature in the STR Log Book;
- vi. Alternatively, email the STR Excel Spreadsheet to the Director/CEO of the FIU at reports@fiuliberia.org. Web filing and submission of STRs shall be started as and when the FIU develops the capability, and at which time instructions on how to web file and submit STRs shall be issued accordingly.

2.4 Exemption from filing CTR

There is no exemption in filing of CTRs on any customer, individual or corporation local or international.

PART THREE NON-COMPLIANCE AND SANCTIONS

3.1 Non-Compliance

A financial institution shall be deemed to be non-compliant to this regulation if it:

- a) files CTR late; lateness herein means the financial institution files the CTR beyond the statutory 3 working days period;
- b) fails to abide by the FIU stipulated procedure and format for filing;
- c) unlawful exemption; and

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d) declines to file CTR or omits accounts or mandatory fields or sections

3.2 Sanctions

3.2.1 Sanctions applicable to bank financial institution violations

When it is established by the FIU that a bank financial institution is in violation of any of its obligations under this regulation, the FIU shall apply the following in consultation with CBL:

- a) Late Filing -
 - i. 1st Violation – Warning
 - ii. 2nd Violation – A fine of LRD 125,000
 - iii. All Subsequent Violations – fine of LRD 250,000
- b) Procedure Violation -
 - i. 1st Violation – a fine of LRD 125,000
 - ii. 2nd Violation – a fine of LRD 250,000
 - iii. All Subsequent Violations – a fine of LRD 500,000
- c) Unlawful exemptions -
 - i. 1st Violation – a fine of LRD 250,000
 - ii. 2nd Violation – a fine of LRD 500,000
 - iii. A fine of LRD 500,000, plus other administrative action(s)
- d) Failure to file -
 - i. 1st Violation – a fine of LRD 500,000
 - ii. 2nd Violation – a fine of LRD 2,500,000, plus other administrative action(s).
 - iii. Administrative action(s).

3.2.2 Sanctions applicable to non-bank financial institution violations

When it is established by the FIU that a non-bank financial institution is in violation of any of its obligations under this regulation, the FIU shall apply the following in consultation with CBL:

- a) Late Filing
 - i. 1st Violation – Warning
 - ii. 2nd Violation – A fine of LRD 62,500
 - iii. All Subsequent Violations – fine of LRD 125,000
- b) Procedure Violation
 - i. 1st Violation – a fine of LRD 62,500
 - ii. 2nd Violation – a fine of LRD 125,000
 - iii. All Subsequent Violations – a fine of LRD 250,000
- c) Unlawful exemptions
 - i. 1st Violation – a fine of LRD 125,000
 - ii. 2nd Violation – a fine of LRD 250,000
 - iii. A fine of LRD 250,000, plus other administrative action(s).
- d) Failure to file
 - i. 1st Violation – a fine of LRD 250,000

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- ii. 2nd Violation – a fine of LRD 1,250,000, plus other administrative action(s).
- iii. Administrative action(s)

3.2.3 Other administrative action(s) as used in this regulation may include one or more of the following actions: the FIU may make specific request to the financial institution through the CBL for:

- a) removal of staffs or officers responsible for the violation
- b) Specific request for removal of managers or executives who are responsible for the violation
- c) Suspension or revocation of banking license

3.2.4 CBL should not countenance violation of the law by any financial institution, and as such, should take other supervisory actions against non-compliant financial institutions.

3.2.5 The penal schedules as contained in this regulation may be revised from time to time by the FIU in consultation with CBL to ensure that the dissuasive capacity is contemporary and adequate.

3.3 Levying of Fines

3.3.1 All fines collected by the FIU in respect of this regulation shall be remitted into a Transitory Account held with the CBL for this specific purpose.

3.3.2 Upon the forfeiture decision on an appeal or if an appeal is not filed within the prescribed period as contained in this regulation, the FIU shall within 72 hours, authorize the CBL to transfer the specific amount of fine from the Transitory Account to the General Revenue Account. Upon the transfer, the FIU shall immediately issue receipt to the violator.

3.3.3 All transfers of forfeited fines from the Transitory Account to the General Revenue Account are net of 25% compensation for informers and whistleblowers as provided for under §1623 of the Liberia Revenue Code. Such funds shall be remitted to a separate account of the FIU to institutionalize its informer and whistleblower compensation scheme.

3.4 Judicial Review

All persons or institutions, who have been subjected to fines as contained in this regulation, may file a petition for a judicial review to the Civil Law Court or other judicial authority as the evidence may warrant in accordance with the laws of Liberia. Said petition must be filed within 10 calendar days as of the date of the imposition of the fine. Any failure to file for judicial review, as provided for herein, shall amount to a forfeiture of said right.

PART FOUR MISCELLANEOUS PROVISIONS

4.1 Amendment

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The FIU may revised this regulation in its entirety or amend sections thereof as the circumstances necessitate.

4.2 Immunity

No financial institution or individual, acting pursuant to this regulation, may be held civilly or criminally liable for complying with this regulation or for any logical future consequence arising from filing CTRs.

4.3 Repealer

This regulation replaces Section 2.5.2 of Regulation No: CBL/RSD/004/2013 (AML/CFT Regulations for Financial Institutions in Liberia). Therefore, CBL shall repeal same upon the official publication of this regulation.

4.4 Effective Date

This Regulation shall come into full force and effect as of the date of its official publication and shall remain in full force and effect until otherwise altered or amended by the FIU.

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APPENDIX 1 Non Exhaustive Examples of Structured Transactions

- A. OT is a regular customer to Honest Forex Bureau. She always brings about hundred thousand Liberian dollars to purchase US dollars. Honest Forex Bureau is happy with the business and don't mind where money comes from. However, Honest Forex Bureau has just been informed of its duty to file CTR. Honest Forex Bureau now notifies OT that given that her transaction is normally above LRD50,000, a CTR on her currency exchange must be reported. Subsequently, OT now brings only LRD 49,000 per transaction. Sometimes returning in the evening or the very next day to do another LRD 49,000. Financial institutions should immediately flag such transaction and include same in its CTR.
- B. JK wants to wire some money to his daughter in the US using Easy Currency Money Transfer Services. Upon learning that the CTR threshold is USD\$1,000 and above, he decides to sent USD\$900 in the morning and returns by the afternoon hour or the very next day to send the remaining \$100. Financial institutions should immediately flag such transaction and include same in its CTR.
- C. AB, a former bank employee, now runs his own SME. He knows about banking duty to report currency transaction for SMEs is LRD150,000 and above. He does not want to be captured in such report, so stops at the CD bank red light branch in the morning and deposits LRD50,000. By midday AB also deposits LRD50,000 in CD bank Old Road branch, and shortly before closing time, AB makes it to the Central Monrovia branch of CD bank and deposits the final LRD50,000. It is clear from the action of AB that he is going through the headache of going to all these branches so as not to hit the CTR threshold. Financial institution should immediately flag such transaction and include same in its CTR.
- D. CD bank observes that customers of FG Insurance Company normally break up premiums for a single policy into check and currency before making the deposit, which deposit normally exceeds the CTR threshold. For example three customers of FG Insurance came on a single day and all made deposits by breaking up the deposits into check and currency so as not to hit the CTR threshold for SMEs. CD bank must add up all these transaction and include in its weekly CTR. Financial institution should immediately flag such transaction and include same in its CTR.

***Note that the following examples enumerated above are only for illustrative purposes and each financial institution has to exercise discretion and judgment in order to identify instances of structuring and to report same accordingly. Note also that the filing of a CTR does not in any way relieve a financial institution of its obligation to report suspicious transactions to the FIUL.

APPENDIX 2 Cash Transaction Report Form SR1A

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CASH TRANSACTION REPORT (CTR) Please complete in ink and capital letters

PART A. IDENTITY OF PERSON CONDUCTING THE CASH TRANSACTION

No.	Item Description	Information
1.	SURNAME/NAME OF ORGANIZATION	
2.	FIRST NAME	
3.	MIDDLE NAME	
4.	BANK NAME	
5.	*INSTITUTION CODE (Bank Code)	
6.	BRANCH	
7.	REPORT TYPE (CTR)	
8.	*CUSTOMER TYPE: IND - (individual), ORG - (Business/Corporation)	
9.	NATIONALITY (e.g. LR, GH, USA, UK)	
10.	DATE OF INCORPORATION/BIRTH (yyy-mm-dd, hh:mm:ss)	
11.	OCCUPATION/LINE OF BUSINESS	
12.	TYPE OF IDENTIFICATION	
13.	REGISTRATION NO. (Business Registration No.)	
14.	IDENTIFICATION NO.	
15.	DATE OF ISSUE (yyy-mm-dd, hh:mm:ss)	
16.	PLACE OF ISSUE	
17.	ISSUING AUTHORITY	
18.	INDIVIDUAL OR ORGANIZATION CONTACT INFORMATION	RESIDENTIAL ADDRESS _____ POSTAL ADDRESS _____ TOWN/CITY _____ REGION _____ TEL. _____ EMAIL _____
19.	ACCOUNT TYPE (e.g. Current, Savings, Foreign Currency Domiciliary Account, Deposit Account, etc.) No abbreviation	
20.	*ACCOUNT NO. (carefully and clearly write out acct number. This field cannot be empty!!)	
21.	ACCOUNT STATUS (e.g. Use the Letters only to describe the status of the Account as shown below: A: Active I: Inactive D: Dormant (extended inactivity) C: Closed X: Purge	
22.	DATE OPENED (yyy-mm-dd, hh:mm:ss)	
23.	LINK/CONNECTED ACCOUNTS	
24.	TRANSACTION INFORMATION:	- TRANSACTION NO. _____ - TRANSACTION DATE _____ - TRANSACTION TYPE (e.g. withdrawal, Deposit, local transfer etc.) _____ - DEBIT/CREDIT (e.g. DR, CR) _____ - TRANSACTION PARTICULARS _____ - CURRENCY TYPE _____ - AMOUNT (FOREIGN CURRENCY) _____

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		- EXCHANGE RATE _____ - AMOUNT (LOCAL CURRENCY) _____ - TOTAL TRANSACTION AMOUNT _____ - PURPOSE OF TRANSACTION _____ - SOURCE/ORIGIN OF FUNDS _____ - NAME OF PERSON CONDUCTING THE TRANSACTION (e.g. Teller) _____ _____
25.	THIRD PARTY/BENEFICIARY INFORMATION:	RESIDENTIAL/OFFICIAL ADDRESS (3RD PARTY) _____ _____ NATIONALITY (3RD PARTY) _____ PHONE NUMBER (3RD PARTY) _____ TYPE OF IDENTIFICATION (3RD PARTY) _____ ID NUMBER (3RD PARTY) _____ ISSUING AUTHORITY (3RD PARTY) _____ OCCUPATION (3RD PARTY) _____
26.	TIN/SOCIAL SECURITY NUMBER (SSN)	
27.	*FOCUS ID (e.g. CU - Customer or AC - Account, use abbreviation only)	

Note: Fields marked with (*) are compulsory fields. Leaving them empty or filling them with incorrect data renders the form/information invalid. (failing to submit and/or submitting an invalid information to the FIU is punishable by LAW)

<<<Financial Intelligence Unit of Liberia USE ONLY.>>>

Report Number:	
Authorization:	
Comments:	

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		- EXCHANGE RATE _____ - AMOUNT (LOCAL CURRENCY) _____ - TOTAL TRANSACTION AMOUNT _____ - PURPOSE OF TRANSACTION _____ - SOURCE/ORIGIN OF FUNDS _____ - NAME OF PERSON CONDUCTING THE TRANSACTION (e.g. Teller) _____ _____
25.	THIRD PARTY/BENEFICIARY INFORMATION:	RESIDENTIAL/OFFICIAL ADDRESS (3RD PARTY) _____ _____ NATIONALITY (3RD PARTY) _____ PHONE NUMBER (3RD PARTY) _____ TYPE OF IDENTIFICATION (3RD PARTY) _____ ID NUMBER (3RD PARTY) _____ ISSUING AUTHORITY (3RD PARTY) _____ OCCUPATION (3RD PARTY) _____
26.	TIN/SOCIAL SECURITY NUMBER (SSN)	
27.	*FOCUS ID (e.g. CU - Customer or AC - Account, use abbreviation only)	

Note: Fields marked with (*) are compulsory fields. Leaving them empty or filling them with incorrect data renders the form/information invalid. (failing to submit and/or submitting an invalid information to the FIU is punishable by LAW)

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Report Number:	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> </div>
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