



PRACTICAL GUIDANCE ON THE REPORTING OF UNUSUAL TRANSACTIONS

“FROM GOOD TO GREAT – MAKE YOUR REPORTING
LEGENDARY”: QUESTIONS AND ANSWERS FOLLOWING
THE INFORMATION SESSIONS HELD ON 16, 17 AND 18
SEPTEMBER 2025

CONTENTS

- INTRODUCTION3**
- 1. DEFINITION OF TRANSACTION4**
 - 1.1 Services & financial transactions 4
 - 1.2 Knowledge of an unusual transaction.....5
- 2. APPLICATION OF INDICATORS FOR THE REPORTING OF UNUSUAL TRANSACTIONS6**
 - 2.1 Required reasoning to improve the quality of an unusual transaction report 6
 - 2.2 Objective vs. subjective reporting 8
- 3. REPORTING OF INTENDED AND COMPLETED UNUSUAL TRANSACTIONS.....9**
- 4. PROMPT REPORTING AND THE PROPER APPLICATION OF THE 'GRACE PERIOD'10**
 - 4.1 What is prompt reporting?10
 - 4.2 Timing of the UTR submission..... 11
 - 4.3 Subjective reporting in relation to prompt reporting..... 13
 - 4.4 New insights in relation to prompt reporting16
- 5. APPLICATION OF THE PRIORITY RULE WHEN REPORTING..... 17**
 - 5.1 Once subjective, always subjective and the exception to the priority rule 17
 - 5.2 Practical example of the application of the priority rule18
- 6. RISK BASED REPORTING 19**
 - 6.1 Sector vulnerability19
 - 6.2 Monitoring of transactions20
 - 6.3 Risk identification of services20
- 7. REPORTING IN PRACTICE..... 22**
 - 7.1 Information to include in a UTR22
 - 7.2 Time limit to requests based on Article 27 AML/CFT State Ordinance (LWTF)..... 23
 - 7.3 Renewal of the reporting systems 23
 - 7.4 Reporting of sales transactions conducted abroad 24
 - 7.5 Identification of a criminal offence 25

7.6	Suspension of transactions.....	26
7.7	Unusual transactions reported and then?	27
7.8	Services provided by Compliance Companies.....	27
8.	QUESTIONS RELATED TO THE INFORMATION SESSION & PRESENTATIONS	28

INTRODUCTION

This guidance document has been prepared by the Financial Intelligence Unit of Aruba (FIU-Aruba) following the virtual information sessions, “From GOOD to GREAT – Make Your Reporting LEGENDARY”, held on 16, 17 and 18 September 2025.

The sessions focused on promoting high-quality reporting, explaining the legal framework, and assisting service providers in effectively fulfilling their reporting obligations, with a strong emphasis on practical application. During these sessions, service providers were given the opportunity to ask questions about their reporting obligations and the practical application of the AML/CFT-framework.

The questions that fall within the scope of the virtual information sessions have been compiled and addressed in this document. For ease of reading, the questions are grouped by topic rather than presented in the order in which they were asked. The answers are not a word-for-word transcript of the discussions held during the sessions. Instead, they are based on the explanations provided and further clarified where necessary to ensure consistency and clarity.

The purpose of this document is to provide practical guidance to support service providers in reporting unusual transactions and to promote a clear and consistent understanding of reporting obligations.

In line with the [*Recommendations and Methodology by the Financial Action Task Force \(FATF\)*](#), which require FIUs to provide outreach and guidance to reporting entities, FIU-Aruba remains committed to supporting service providers through information sessions and published guidance materials.

Service providers are encouraged to read this document together with the applicable legislation and the FIU’s published guidance documents, including the [*Richtlijn Indicatoren*](#) and [*Simpelweg Melden*](#), to ensure a proper understanding of their responsibilities.

1. DEFINITION OF TRANSACTION

1.1 Services & financial transactions

1. For a real estate company, is a client contract considered a transaction?

It is important to understand that the **definition of a transaction** for the purpose of the [AML/CFT State Ordinance \(LWTF\)](#) can be both a **service** and a **financial transaction**. Therefore, it is important to know which services you provide. You need to **understand the scope of your services** and **consider any red flags** you may encounter that would lead to a reasonable suspicion that the transaction may be linked to a criminal offence. Based on the available information a service provider will determine whether an objective or subjective unusual transaction report (UTR) should be submitted to the FIU.

In addition, **once your service is performed** a transaction is considered to be completed, even if the financial transaction has not yet occurred or you have not been notified of it. You do not need to wait until the financial transaction has taken place. The key factor is the service you are providing: where it begins, where it ends, and whether it triggers reporting obligations. If you are unsure whether a situation constitutes a reportable transaction, you can always contact the FIU for guidance.

For further information see: [Richtlijn Indicatoren](#), §2.1.

2. Why are real estate companies treated similarly to financial institutions for AML/CFT compliance and reporting purposes, even though they do not handle client funds directly and payments are processed through notaries and banks?

Real estate companies play an important **gatekeeper role** within the anti-money laundering (AML), countering the financing of terrorism (CFT) and counter-proliferation financing (CPF) framework, even though they are not directly involved in the financial transaction. Their inclusion in the compliance and reporting regime is based on their position in the transaction chain, i.e. services and financial transactions, not on the movement of money alone.

Real estate agents are often the **first point of contact** in a property transaction. This gives them early and detailed insight into the client, the purpose of the transaction, the structure of the deal, and any unusual behavior or circumstances. This perspective is different from that of

notaries and banks, which primarily see the transaction at later stages and mainly from a financial or legal execution standpoint.

Because of this unique access and contextual knowledge, real estate companies form a critical part of the overall AML/CFT/CPF chain. Their role is to identify and report potential risks at an early stage, thereby complementing the controls performed by notaries, banks, and other reporting entities.

1.2 Knowledge of an unusual transaction

3. In relation to the statement “even when you are not providing the service”: does this mean that when a service is provided directly to a client and it involves a reportable transaction, the service provider is required to submit a report?

Yes. When you provide a service directly to a client and that service involves a reportable transaction, you are required to submit an UTR.

In addition, your **reporting obligation is not limited to the services you provide yourself**. While providing a service to a client, you may become aware of other transactions conducted or intended by that client that are reportable, even if those transactions are carried out with or through another service provider. In such cases, this knowledge triggers a reporting obligation.

This applies to both subjective and objective reporting. Each service provider has an **independent responsibility to assess and report** unusual transactions. You may not rely on another service provider to submit a report, even if that other provider is also subject to customer due diligence and reporting obligations.

The key principle is that the **reporting obligation is linked to your knowledge** of a reportable transaction, not solely to whether you were the service provider who provided the service for that transaction.

4. If a service provider (e.g., an accountant) is providing services to a client who is itself a service provider under the LWFT, and no reportable transactions are directly observed, but the client is found to be non-compliant with LWFT requirements (including the reporting requirement), should this be reported to the FIU as a potential suspicion of ML/TF/PF?

Each service provider has an **independent legal obligation to report** unusual transactions. If you become aware that another service provider is failing to meet its reporting obligations, this should be reported to the FIU. The FIU will assess the situation and take appropriate action. This may include providing guidance where a lack of knowledge or awareness is identified, or initiating further inquiry where there are indications that the service provider may be willfully blind or complicit in illicit activities, such as money laundering.

In addition, if you become aware of a reportable transaction during the provision of your own services, you have an independent obligation to report that transaction to the FIU, regardless of whether another service provider involved in the transaction has reported or failed to report it. In such cases, both the transaction itself and the apparent failure of the other service provider to report may be relevant.

With respect to compliance functions that are not client-facing and rely on internal reporting from client-facing professionals, the FIU confirms that the **risk-based approach also applies to internal monitoring arrangements**. Services and clients that are classified as higher risk warrant **enhanced** and more **proactive monitoring** by the compliance function.

This may include closer oversight of transactions and clients within higher-risk service lines to identify both objective and subjective indicators, with particular attention to subjective indicators. Enhanced monitoring of higher-risk clients and services is therefore considered an appropriate and expected application of the risk-based approach.

2. APPLICATION OF INDICATORS FOR THE REPORTING OF UNUSUAL TRANSACTIONS

2.1 Required reasoning to improve the quality of an unusual transaction report

5. For an objective indicator, is it correct that the presence of an “unusual nature” is not required, and therefore no additional reasoning needs to be provided?

When assessing whether to submit a UTR, a **risk-based approach** must always be applied.

This approach follows a specific order:

1. **First assess the subjective indicators.**

Determine whether any red flags related to money laundering (ML), terrorist

financing (TF), or proliferation financing (PF) are present. This assessment should be supported by the *5W2H method* (*what, why, where, when, who, how, and how much*), which helps you substantiate whether a subjective report is required and how it should be documented.

2. If no red flags are identified, and therefore no subjective reporting obligation arises, then **assess whether any objective indicators apply**.

Objective indicators must be reported regardless of whether the transaction appears unusual. In other words, the objective indicators are developed using a risk-based approach, but for service providers they must be applied as strict rules: if the indicator applies, the transaction must be reported.

A reasoning is always required when submitting an unusual transaction report to the FIU. The nature of the reasoning differs depending on whether the report is based on a **subjective** or an **objective** indicator:

- For **subjective reports**, the reasoning explains the red flags identified and why they give rise to suspicion.
- For **objective reports**, you must explain, **why the subjective indicators do not apply**, and why the objective indicator is applicable.

In all cases, whether reporting subjectively or objectively, the narrative must include more than a reference to the indicator. It should contain sufficient contextual information, including:

- The type of service provided;
- The client and any involved counterparties;
- The nature and specifics of the transaction, and;
- The reasoning supporting the choice of subjective or objective indicator.

This structured, risk-based approach ensures consistent, complete, and well-substantiated reporting across all cases.

6. How can a company ensure that the narrative provided in unusual transaction reports adds meaningful context, rather than serving solely as a compliance formality?

To ensure that the narrative in a UTR adds real value, the description should clearly **explain why** the transaction was considered reportable, taking into account the **context** of the transaction and based on the service provider's **professional judgment and expertise**.

For **subjective reports**, the narrative should go beyond a reference to the indicator and clearly address:

- which red flags were identified;
- what happened that made the situation unusual;
- why these circumstances are unusual within the context of the services provided; and
- how this assessment is based on the service provider's professional knowledge and experience.

The FIU relies on service providers to explain what is unusual from a professional perspective, as the FIU does not have detailed insight into every sector or type of service. A well-reasoned narrative helps the FIU understand the context and determine the appropriate follow-up.

For **objective reports**, a narrative is also required. Even though the transaction does not need to appear unusual, the report should still explain:

- the type of service provided;
- the nature and specifics of the transaction;
- the parties involved, and;
- why the subjective indicators do not apply.

Simply copying the wording of an indicator or providing only basic transactional details is not sufficient. In line with a **risk-based approach**, service providers are expected to first assess whether subjective indicators apply and to reflect that assessment in the narrative, even when reporting under an objective indicator.

A meaningful narrative provides context, analysis, and professional reasoning, enabling the FIU to understand the transaction and assess potential risks effectively.

For further clarification, reference is also made to question 5. See also: [Richtlijn Indicatoren, Chapter 3](#).

2.2 Objective vs. subjective reporting

7. If a report has already been submitted based on an objective indicator, how should I proceed if I now want to submit it as a subjective report?

If you have already filed a report under an objective indicator and you believe that subjective grounds are also present, you do **not need to withdraw the original report**. You can submit

an **additional report** under the relevant subjective indicator with a **reference** to the previous report. This ensures that both perspectives are captured in our analysis ([Richtlijn Indicatoren §3.1.1](#)).

8. Should a declined or exited client be reported to the FIU only where there is a suspicion of unusual activity, or is reporting required in all cases?

Declined or exited clients do not need to be reported automatically. However, if a transaction, whether completed or intended, meets the criteria of the indicators for unusual transactions, it must be reported. It is the responsibility of the service provider to assess whether these indicators apply.

It is important for service providers to **consider all red flags** observed during their interactions with the client and make an informed decision. In practice, when a service provider chooses to decline or terminate a client relationship, this often indicates the presence of red flags or suspicions of criminal activity. Such situations usually provide sufficient grounds to report an unusual transaction ([Richtlijn Indicatoren, §2.2.2 and §3.2](#)).

Whether a report is required may also depend on the stage of the services being provided. This may include consideration of (*examples*):

- whether it concerns an intended or a completed transaction;
- whether suspension of the transaction would be necessary, and;
- whether the exemption set out in Article 2, paragraph 3 of the AML/CFT State Ordinance applies to the services in question.

3. REPORTING OF INTENDED AND COMPLETED UNUSUAL TRANSACTIONS

9. If I have information for a transaction scheduled to take place in two weeks, should I submit a report now as an intended transaction and again after the transaction occurs as an actual transaction?

When deciding whether to submit a report for a future transaction, first determine whether you are reporting subjectively or objectively:

- **Subjective reporting:** If you have already identified red flags, you can report the transaction **as intended**, even if it has not yet been completed. The unusual character of the transaction is already known to you, so an early report is appropriate.
- **Objective reporting:** Usually, you report **once the transaction is completed** or the criteria for the objective indicator are met. You generally do not report objectively before the transaction is completed.

The key is to assess the **status of the transaction** and the **nature of your knowledge** at the time of reporting to decide whether to report it as intended or completed. In time-sensitive situations, for example where a transaction may qualify for suspension, service providers may contact FIU-Aruba for further guidance (*Richtlijn Indicatoren*, §2.2; §3.1-3.3).

4. PROMPT REPORTING AND THE PROPER APPLICATION OF THE 'GRACE PERIOD'

4.1 What is prompt reporting?

10. What is prompt reporting, when does the five-working-day reporting period start, and what days are included in this calculation (e.g. weekends, public holidays, or days off)?

Prompt reporting as defined by the Financial Action Task Force (FATF), means that unusual transactions must be reported **immediately**, as soon as the suspicion or indicator arises, rather than waiting until all supporting information has been fully collected (*Richtlijn Indicatoren*, §2.4).

The requirement to report within five working days is referred to as a 'grace period', which means that it is intended as a **maximum allowance**, not as a standard reporting timeframe. The five-working-day period serves only as an outer limit, not as a target. This period provides limited flexibility to gather additional information, request supporting documents from other service providers, or further substantiate the description of the unusual nature of the transaction. It is not meant to justify unnecessary delays where immediate reporting is feasible. Only **working days** are counted; weekends and public holidays are excluded.

Reporting institutions should submit reports immediately and should **not routinely wait** until the end of the five-day period. In certain cases, such as suspected terrorist financing or transactions related to sanctions, immediate reporting is critical, as the FIU may need to take

urgent action, including contacting domestic or foreign counterparts, law enforcement, or the Public Prosecutor's Office. Delaying such reports may hinder timely intervention.

Reporting institutions are strongly encouraged **not** to:

- Delay reporting in order to accumulate multiple reports, and;
- Wait for internal approvals that unnecessarily postpone submission.

Practical examples highlighting the importance of prompt reporting:

1. **Suspension of transactions:** The FIU has the authority to suspend certain transactions. If a service provider encounters a transaction that may fall under this authority, it is essential to report it immediately so that the FIU can coordinate with counterparts, law enforcement, or the Public Prosecutor's Office. Delaying the report could result in losing track of the transaction.
2. **Terrorist financing:** Any suspicion of terrorist financing must be reported without delay. Immediate notification allows the FIU to take necessary actions and coordinate with local or foreign authorities to prevent harm.

Prompt reporting is therefore not only an international compliance requirement, but also a practical necessity to allow timely and effective action in critical cases.

4.2 Timing of the UTR submission

11. For a real estate agent, is submitting an objective report when the sale contract is signed considered promptly?

It is important to determine what **the moment is that your service to your client is concluded**.

If the signing of a contract marks that moment, then that is the moment that the service to the client is concluded (*Richtlijn Indicatoren*, §2.2.1).

12. When should a relevant indicator be reported within five working days, at the time of client intake/consultation or upon receipt of supporting documents?

Your reporting obligation begins as soon as you become aware of a transaction that gives rise to a reporting requirement. From that moment, the “clock starts ticking,” and you are expected to submit your report promptly.

In other words, once you have reason to report a transaction, your **obligation to report is immediate**.

For further clarification, reference is also made to question 10. See also: [Richtlijn Indicatoren](#), §2.4.

13. In a business with a transaction monitoring department and an escalation procedure to the MLRO, when does the five-day reporting period start, considering that (1) the FIU advises not to wait for superior approval, and (2) the compliance officer already considers the transaction suspicious?

The starting point for the reporting obligation is not the internal approval process, but the moment the unusual nature of the transaction becomes known. Legislation and international standards focus on prompt reporting, meaning that a transaction should be reported **as soon as its unusual character is identified**. The five-day period is not intended as a waiting period, but as a **limited timeframe** to allow **further substantiation in more complex cases**.

Internal procedures, such as escalation to a transaction monitoring department or review by the MLRO, should not delay the start of the reporting period. The unusual character of a transaction is already considered known at the moment the compliance officer identifies it as suspicious and escalates it internally. It does not start when the case is reviewed or approved by a supervisor.

In short, the five-day reporting period begins when the compliance officer (or the employee facing the client, such as a cashier) first recognizes the unusual nature of the transaction, regardless of internal escalation or approval steps.

For further clarification, reference is also made to question 10. See also: [Richtlijn Indicatoren](#), §2.4.

14. If legal advice is needed before submitting a report, which could delay reporting beyond the five-day period, is this acceptable?

This answer should be read as a supplement to the previous question.

Seeking legal or other external advice **does not justify delaying the submission of a UTR** beyond the required timeframe. Once red flags have been identified and the unusual nature of the transaction is known, the reporting obligation has already arisen. At that point, you should be able to substantiate the report based on your professional judgment and the information available to you.

The requirement is to report promptly, meaning immediately and, in any case, within five days. This period is not intended to be used to wait for external advice. If additional information or clarification becomes available after the report has been submitted, you can contact the FIU for guidance on how to proceed or provide further explanation if needed.

In short, **do not delay reporting while waiting for legal advice**. Submit the report as soon as the unusual nature is identified and address any remaining questions or additional insights after submission.

4.3 Subjective reporting in relation to prompt reporting

15. Should a report be submitted as soon as the first red flag is identified, even if supporting documents are still pending?

Reports should be submitted promptly once it has been determined that a transaction qualifies as unusual based on the applicable red flags. The point at which the unusual character of the transaction is established may differ depending on the circumstances of the case.

While it may be appropriate to gather further information to adequately substantiate a report, this should not lead to unnecessary delay. The obligation is to report promptly once the reporting threshold has been met.

Internal consultation, for example with management or the compliance officer, should not lead to an unjustified postponement of the report. As explained in the previous questions,

internal procedures must be organized in such a way that they support, rather than hinder, timely reporting.

In complex or time-sensitive situations, service providers should contact FIU-Aruba for guidance.

16. If an event requires further investigation and it cannot be determined within five working days whether it meets the subjective indicator, should it be reported initially as a subjective report based on suspicion, with a follow-up report submitted later confirming the outcome?

Red flags can emerge at any stage of a transaction. At the point where one or more red flags lead you to conclude that there is a suspicion of money laundering (ML), terrorist financing (TF), or proliferation financing (PF), a subjective unusual transaction report should be submitted.

At that stage, the key question is not whether additional documentation could still be obtained, but whether the **unusual nature of the transaction can already be reasonably described**. If you have determined that the criteria for subjective reporting are met, you are expected to **submit the report promptly and clearly describe the suspicious or unusual aspects** of the transaction.

If a case is complex or involves specific uncertainties, for example regarding the submission of supporting documentation or additional information, the FIU can be contacted for guidance.

Prompt reporting remains essential. Where an objective report has already been submitted and, following further investigation or the receipt of new information, it is subsequently determined that a subjective report is warranted, a new subjective report may be submitted. The initial objective UTR does not need to be withdrawn and remains valid. In the subsequent subjective report, **reference** should be made to the **earlier objective report** so that the FIU can link the reports and assess the full context (*Richtlijn Indicatoren*, §3.1.2).

Providing all relevant information and suspicions in the subsequent report allows the FIU to combine the reports and analyze the complete picture.

17. When a behavior or transaction merits further investigation to determine if it meets the criteria for subjective reporting, but essential information or documents are missing and collecting them may exceed five business days, how should a reporting institution proceed while upholding due care (“zorgvuldigheidsbeginsel”) and ensuring complete and accurate reporting?

The moment at which a transaction is considered unusual may differ depending on the specific facts and circumstances. There is no single predefined point at which unusuality arises. It is the responsibility of the service provider to assess, based on the information available, when a transaction is considered unusual. Careful identification of red flags is essential, not only to determine whether a report is required, but also to support a well-reasoned analysis and to ensure the quality of the report that is ultimately submitted.

Where further assessment is required to determine whether a subjective indicator applies, reasonable steps may be taken to obtain and review relevant information in line with the principle of due care. However, once the transaction has been assessed as unusual, the report should be submitted promptly.

While a well-reasoned and properly substantiated report is important, the need for additional documentation should not routinely result in exceeding the applicable reporting timeframe. Prompt reporting remains the standard, and internal processes should be organized accordingly (*Richtlijn Indicatoren*, §2.4).

Service providers may contact the FIU for guidance if additional information is needed or if the case is complex, to ensure that reporting obligations are met in a timely and well-substantiated manner.

18. If a red flag is no longer valid because the client has provided an explanation after a report was submitted within the five-day period, should the FIU be contacted to update or clarify the report?

Once an UTR has been submitted, there is **no obligation to withdraw or amend** that report if the client subsequently provides an explanation. The report was correctly submitted based on the information and red flags available at the time.

If, after submitting the report, the client provides a credible explanation and engages in subsequent transactions or requests services for which no subjective indicators or red flags are present, a new subjective report is not required solely for that reason.

However, if a subsequent transaction meets an objective indicator, that transaction must still be reported. In such cases, the reporting institution should clearly **indicate in the description**:

- why the transaction is reported objectively;
- why no subjective indicators apply;
- how the client's explanation addressed the earlier concerns, and;
- refer to the previously submitted UTR

By providing this information, the FIU can assess the information in context and link related reports (*Richtlijn Indicatoren*, §3.1).

Reporting institutions should also **remain vigilant to patterns of transactions**. Multiple objective reports relating to the same client may, when viewed together, give rise to subjective indicators. If a pattern emerges that falls outside the client's expected profile, a subjective report should be submitted, with reference to earlier objective reports (*Richtlijn Indicatoren*, §2.1.1 and §2.4.2).

The key principles are:

- reports are assessed based on the **information available at the time**;
- **later clarifications do not invalidate** a correctly submitted report; and
- **ongoing monitoring and a risk-based assessment** remain essential.

4.4 New insights in relation to prompt reporting

19. What should a service provider do if, following guidance or an information session ('voortschrijdend inzicht'), they later realize that a potential client met only during the intake phase should have been reported, but the five-working-day reporting period has already passed?

If, following guidance, training, or an information session, a service provider realizes that a transaction or a potential client encountered only during the intake phase should have been reported earlier, the transaction **should still be reported**.

The FIU will not reject a report solely because the five-working-day period has already passed. In such cases, the service provider is encouraged to clearly **explain** in the report:

- why the transaction was not reported earlier;

- when and how the new insight arose (*for example, as a result of guidance, training, or an information session*), and;
- why the transaction is now considered unusual.

This moment, when the service provider gains **new insight or awareness**, can be regarded as the point at which the transaction becomes unusual for the service provider. It is therefore important to document this moment and to substantiate why the decision to report is being made now.

New insights may arise because information was not previously available or because the service provider's understanding of indicators or risks has evolved. Service providers should not hesitate to report in such circumstances. What matters is that the **reasoning is clearly documented** both in the report and in the service provider's own records (*Richtlijn Indicatoren*, §2.4.2).

5. APPLICATION OF THE PRIORITY RULE WHEN REPORTING

5.1 Once subjective, always subjective and the exception to the priority rule

20. Under what circumstances may a service provider revert to objective reporting after a subjective report has been filed for a customer or transaction, and how should this be assessed in practice?

Once you have submitted a subjective report for a client, the **priority rule** states that any subsequent reports for that client should also be submitted subjectively. This is because the initial report indicates that you have **already identified an unusual transaction or potential involvement in ML/TF/PF or an associated predicate offence**.

However, an **exception** applies: if a future transaction is completely unrelated to the circumstances of your previous subjective report, you may report it objectively. In such cases:

- Clearly **substantiate why there is no connection** to the earlier subjective report;
- Reference your **previous report** and explain your reasoning, and;
- Include your **professional experience and knowledge** to justify why the new transaction does not relate to the previous suspicion.

This ensures that all reporting remains consistent while allowing for objective reporting when a transaction is genuinely independent of prior concerns (*Richtlijn Indicatoren*, §3.1).

5.2 Practical example of the application of the priority rule

21. If a client has previously been reported on a subjective basis, does this mean that all subsequent reports relating to that client must also be submitted as subjective reports?

For example, within a casino setting: on Day 1, a customer is reported subjectively due to observed collusion, identified as a red flag and a potential money laundering risk. On Day 2, the same customer returns. During this visit, no red flags are identified; however, the customer exceeds the applicable reporting threshold, which would normally trigger an objective report. In such circumstances, should the Day 2 transaction be reported objectively (with reference to the earlier subjective report, where relevant), or does the existence of a prior subjective report mean that all subsequent reports concerning that client must also be submitted as subjective?

The FIU does not prescribe reporting in individual cases; the responsibility for determining the applicable indicator remains with the reporting institution.

However, where a client has previously been reported under a subjective indicator, the **priority rule** applies. This means that **subjective reporting generally takes precedence** over objective reporting. A prior subjective report reflects the **existence of a suspicion** of ML/TF/PF or a predicate offence and therefore indicates an elevated risk profile.

As a general principle, subsequent transactions involving the same client should continue to be assessed in light of that earlier suspicion. Where transactions occur after a subjective report has been filed, continued reporting under a subjective indicator is expected, particularly where the client relationship and risk context remain unchanged. This enables the FIU to identify and analyze patterns and developments over time.

Only in exceptional circumstances - where it can be clearly demonstrated and documented that a **subsequent transaction is entirely unrelated** to the previously reported suspicion and does not give rise to any new red flags - may objective reporting be considered (*Richtlijn Indicatoren*, §3.1).

In such cases, the service provider must:

- **clearly document the assessment** explaining why the transaction is not linked to the earlier subjective report;
- **explain** why the transaction does not form part of the same pattern or broader risk context;
- **confirm** that no new subjective indicators or red flags were identified;
- **provide a clear rationale** for applying an objective indicator instead of a subjective one; and
- where relevant, **refer to the previously submitted report** to enable the FIU to assess the relationship between the transactions.

The risk-based approach therefore requires **ongoing monitoring and reassessment**. Once a subjective suspicion has been established, **enhanced scrutiny** is expected, and **reporting decisions should reflect that elevated risk** unless there are well-documented grounds to conclude otherwise.

6. RISK BASED REPORTING

6.1 Sector vulnerability

22. Which sectors are considered particularly vulnerable to money laundering and related risks?

For an overview of vulnerable and higher-risk sectors, reference is made to the [National Risk Assessment \(NRA\)](#), published in 2021, which contains a comprehensive analysis of Aruba's exposure to money laundering and related risks.

The NRA identifies the **real estate sector** as one of the high-risk sectors that remains consistently vulnerable in Aruba. However, this risk also extends to several other sectors that provide services related to real estate transactions. These sectors should therefore remain alert to the associated risks and red flags. These sectors must ensure that their services are not used to facilitate money laundering through real estate activities.

Service providers are strongly encouraged to **consult the NRA report**, as it provides detailed insight into:

- **identified high-risk sectors;**

- the **nature of those risks**, and;
- the **areas that require increased vigilance and risk-mitigating measures**.

6.2 Monitoring of transactions

23. What measures are service providers expected to have in place to monitor ongoing transactions involving foreign clients or PEPs, and how should they adapt controls when new risks emerge?

This question primarily concerns supervisory expectations and the compliance responsibilities of service providers, rather than the operational mandate of the FIU.

Service providers are **expected to remain informed** of regulatory developments, typologies, and emerging risk indicators, and to adjust their control framework accordingly.

For detailed supervisory expectations and practical guidance, reference should be made to the applicable **guidance documents issued by the [Central Bank of Aruba](#)**.

6.3 Risk identification of services

24. Is there a standard Know Your Customer (KYC) template available that can be used for client screening?

The FIU does not provide standard Know Your Customer (KYC) or Customer Due Diligence (CDD) templates. In its outreach to service providers, the FIU focuses primarily on matters related to the reporting obligation and the use of the reporting portal.

For guidance on KYC and CDD requirements, service providers are referred to **guidance documents issued by the [Central Bank of Aruba](#)**, which may be used as a reference when developing or updating internal procedures. Templates may also be available from other reputable sources, but the FIU itself does not issue such documents.

25. During the presentation it was stated that service providers must assess and document the risks of the services they provide. In this context, what is meant by “determined”? Does this require a formal, documented risk assessment, rather than an informal or purely mental consideration of risks?

Yes, by 'determined' it is meant that: 'I have assessed the risks for my services and documented them.'

However, it is **not a static process** given that services and risks are, of course, continuously subject to change.

26. In applying a risk-based approach, does the compliance function have an obligation to be more proactive in monitoring higher-risk services identified in the Business Risk Assessment?

Specifically, where the compliance function primarily relies on internal reporting from client-facing staff, does a higher risk classification require enhanced or proactive monitoring of transactions or clients within those service lines to identify potential reportable transactions?

Yes. Applying a risk-based approach also means that the compliance function should be more **proactive in monitoring** services and clients that are considered as higher risk in the Business Risk Assessment.

Where certain service lines, products, or client categories are identified as higher risk, **enhanced and ongoing monitoring is expected**. This includes **actively reviewing transactions and client activity** within those higher-risk areas, rather than relying solely on internal escalations from client-facing professionals.

In practice, this means that the service provider should:

- **pay closer attention** to clients and transactions within higher-risk service lines, and;
- **remain alert** to both subjective and objective indicators, with particular emphasis on identifying potential **red flags** at an early stage.

This proactive monitoring **supports timely reporting** and ensures that higher-risk activities receive an **appropriate level of scrutiny in line with the risk-based approach**.

7. REPORTING IN PRACTICE

7.1 Information to include in a UTR

27. If an employee signs on behalf of a party as an authorized representative, should that employee also be included as a party in the UTR?

In general, it is preferable **not to include references to your own employees or your own organization as parties** to an unusual transaction report. The primary focus of the report should be on a clear and comprehensive description of the transaction and the relevant parties involved.

Where a service provider acts on behalf of a client, this should be **described in the narrative**. The report should include information regarding the **identify the client**, the **counterparty**, the **initiator of the service**, and, where applicable, the **ultimate beneficial owner** of the transaction. This is the information the FIU requires on the parties involved to assess the UTR.

Information about an employee should only be included if there is a **direct connection to the suspicion** and the **employee may be involved in the identified unusual or suspicious activity**. In such cases, **additional steps** may be required, including reporting the matter to the police or the Public Prosecutor's Office. As previously indicated, providing information to law enforcement authorities may trigger a separate reporting obligation under indicator 130101 (*Richtlijn Indicator*, §3.3.1).

In situations where there is uncertainty, service providers are encouraged to first consult with the FIU to determine the appropriate course of action.

28. In certain scenarios, UTRs may reflect a value of zero instead of the full transaction amount. Under what specific circumstances should this approach be applied?

There is no one-size-fits-all rule, but in certain situations it is not possible to determine a transaction's value, yet a report must still be filed. In such cases, it is acceptable to submit a UTR with a **value of zero**.

Examples include (*but are not limited to*):

- **Intended transactions** that have not yet reached a stage where a monetary value is established.
- **Contracts or agreements** where the service has been initiated or concluded but no value has (yet) been exchanged.

These cases are most often reported under a **subjective indicator**, as the report is usually based on suspicion rather than on a defined threshold. Objective indicators usually involve transactions where a value can be determined.

7.2 Time limit to requests based on Article 27 AML/CFT State Ordinance (LWTF)

29. When additional information is requested pursuant to Article 27 of the AML/CFT State Ordinance, is there a specific deadline or time limit for responding to such requests?

In most cases, the FIU sets a **deadline** when requesting additional information under Article 27 of the AML/CFT State Ordinance, because such requests are made in the context of an active investigation. This may be at the request of a foreign FIU, local authorities, or on the FIU's own initiative. The UTR has already triggered an investigation, and the requested information is needed to conduct a more thorough analysis.

It is therefore important that responses to Article 27 requests are **submitted in a timely manner** to allow the FIU to continue its investigation without unnecessary delays.

If additional time is needed because the information is not immediately available, reporting institutions may **contact the FIU to request an extension**. This request should be made proactively, rather than waiting until the last minute on the deadline. The FIU can then discuss and agree on a revised timeline for submission.

7.3 Renewal of the reporting systems

30. Are there plans to update the reporting portal to make it more user-friendly?

The FIU is currently in the process of **renewing and improving** its reporting systems. Enhancing the usability of the reporting portal has been discussed on several occasions with compliance officers and is recognized as an important, long-term project. Due to the scope and complexity of these system upgrades, implementation will take time.

The FIU will keep reporting entities informed of any relevant developments and progress in due course.

7.4 Reporting of sales transactions conducted abroad

31. How should sales transactions handled by notaries on other islands be reported?

Specifically, if a sale occurs outside Aruba (e.g., in Sint Maarten), is there a reporting obligation in Aruba, or should the report only be made in the jurisdiction where the transaction takes place?

This is not a question with a single or straightforward answer. The applicable reporting obligation depends on the **specific circumstances of each case**. The primary rule to remember is that **the reporting obligation arises in the jurisdiction where the service is provided**.

In other words, the location where you actually perform your services determines where you are required to report. Depending on the nature and scope of the services rendered, a reporting obligation may arise in one jurisdiction or, in some cases, in multiple jurisdictions.

For example, if you meet a client in Aruba, conduct the client intake there, and identify red flags during that intake, a reporting obligation arises in Aruba. If you subsequently travel with the client to another island, view a property, and sign a sale and purchase agreement in that jurisdiction, this may also trigger a reporting obligation in that other jurisdiction, depending on the services provided there.

It is therefore essential that you:

- have a clear understanding of the **services you provide**;
- remain vigilant with respect to the **risks associated with those services**, and;
- assess, for each service, **where** the reporting obligation applies.

The fact that a transaction has already been reported by another party, such as a notary, does not affect your own reporting obligation. Each service provider has an **independent and separate duty to report**.

If it is unclear where a report should be filed in a specific case, you are encouraged to contact FIU-Aruba. The FIU is available to discuss the case and assist in determining the appropriate reporting jurisdiction.

7.5 Identification of a criminal offence

32. Should a client who falsifies payslips or job reference letters to obtain a loan be reported to the FIU under the subjective indicator?

This is a situation that should be considered for reporting. When assessing whether a case falls under the subjective indicator or an objective indicator, all relevant **red flags** must be taken into account.

The falsification of payslips, employment reference letters, or any other supporting documents is considered a **significant red flag** and should be included in your report. In such cases, you should also evaluate whether the matter should be **reported to the police**, given that a service provider has a legal obligation to report all crimes to the Public Prosecutor's Office.

If the case has **already been reported to the police or internal investigators**, a separate indicator is available for this purpose, namely **indicator 310101**. This indicator should be used so that the FIU is aware that the police or investigators are already involved. This indicator takes **priority over the subjective indicator when reporting a UTR** (*Richtlijn Indicator*, §3.3.1).

Therefore, in such cases the **priority order** is as follows:

1. Use the dedicated indicator 130101 if the case has been or will be reported to the police or investigators.
2. Use the subjective indicator if you identify red flags but the matter has not been reported to law enforcement.
3. If 1 and 2 are not applicable and there no red flags are present, consider whether other objective indicators apply.

7.6 Suspension of transactions

33. When the FIU suspends an outgoing transaction, what information may be communicated to the customer regarding the delay in the completion of the transaction?

When an outgoing transaction is suspended by the FIU, the service provider must ensure that the prohibition on tipping off is strictly observed. This means that the **customer must not be informed** that the delay is the result of an FIU suspension or that an investigation is taking place.

In practice, the FIU cannot provide a standard message or wording to be used toward customers. What can be communicated will depend on the nature of the business, the type of service involved, and the institution's internal procedures. In many cases, a transaction is suspended because an active investigation is underway, either by the FIU itself, a foreign FIU, or local authorities. For this reason, it is essential that the customer is not made aware of the underlying cause (*Richtlijn Indicator*, §4.2.2).

Reporting institutions are therefore expected to:

- **avoid any communication** that could **reveal or suggest** the involvement of the FIU or law enforcement;
- **avoid stating** that the transaction has been **suspended or postponed**;
- **provide only neutral, non-specific explanations** for the delay:
for example:
 - *referring to internal or administrative reasons;*
 - *stating that the reasons for the delay cannot be disclosed.*
- **follow internal policies and procedures** designed to manage such situations without tipping off the customer.

Service providers are **encouraged to have clear internal procedures** in place for handling transaction suspensions and to **align** these, where possible, with **sector practices**. While it may be challenging, maintaining confidentiality and preventing tipping off must always take priority.

34. Does the FIU have the authority to stop a transaction, or is this power limited to the CBA?

The FIU has the authority to **suspend transactions**, but it does **not have the power to stop a transaction permanently**. Suspension means that the FIU can ask a service provider to temporarily halt a transaction while a formal investigation is ongoing, whether by the Public Prosecutor's Office, law enforcement, or a foreign FIU.

The purpose of this suspension is to **prevent illegally obtained assets from being moved or obscured** and to **give the relevant authorities time to take the necessary actions**, such as asset confiscation.

The FIU will **never instruct a service provider to refuse or permanently stop a transaction**, that remains the service provider's professional responsibility. Service providers must also continue to fulfill their reporting obligations to the FIU for any unusual transaction (*Richtlijn Indicator, Chapter 4*).

7.7 Unusual transactions reported and then?

35. After confirming that an individual is involved in money laundering, what are the next steps taken by the FIU?

After confirming involvement in money laundering, the FIU analyses all relevant information from service providers and other sources and compiles it into a **Financial Intelligence Report (FIR)**.

This report is **shared with the relevant authorities**, such as law enforcement agencies, the Public Prosecutor's Office and/or foreign FIUs. For particularly significant cases, the FIU may discuss the findings directly with authorities to support further investigation, which could ultimately lead to a criminal investigation, prosecution and conviction.

7.8 Services provided by Compliance Companies

36. If a company outsources its compliance functions, to what extent does it remain liable for errors made by the external compliance service provider?

Reporting unusual transactions to the FIU is an **individual duty of each service provider** (*Richtlijn Indicator, Chapter 2*).

Even if your company uses a consultant or a third-party system for the reporting of unusual transactions, the **legal responsibility** regarding **complying with the reporting obligation** will always remain with you as a service provider and reporting entity.

8. QUESTIONS RELATED TO THE INFORMATION SESSION & PRESENTATIONS

37. Regarding the case presented during the session, were the properties purchased by the group in Aruba subject to freezing measures or confiscation once the red flags were identified and reported?

The case presented during the session is part of an ongoing investigation with an international dimension. For this reason, the FIU cannot confirm whether the properties involved were subject to freezing measures or whether they were confiscated, nor provide details on any enforcement measures taken.

The following points can be clarified for **guidance purposes**:

- The initial UTRs were submitted under an **objective indicator**.
- At the time of reporting, relevant **red flags were not identified** or escalated as such.
- With more robust CDD and a stronger focus on red flags, the transactions could potentially have been reported earlier under a **subjective indicator**.
- Subsequent information received by the FIU linked the parties involved to an **international investigation**.
- By combining information from multiple service providers and other sources, the FIU was able to **assess the case in a broader context**.

This case highlights the **importance of applying a risk-based approach**, actively identifying red flags, and prioritizing subjective reporting where appropriate.

38. Could the presentation be shared in PDF format?

A pdf-version of the presentation has been provided to the participants.

39. Could practical examples be provided at the end of the session to illustrate the concepts discussed?

During the session, several practical examples were shared to illustrate how to identify and report unusual transactions. These **examples were deliberately kept broad** and not specific to any single sector, to ensure they are **relevant for all service providers and sectors that were present**.

Service providers are encouraged to apply the same principles to their own sector and clients, using a **risk-based approach**. This means assessing transactions for:

- The presence of **red flags** (*which are often published by the FATF and other reputable sources*);
- determining whether reporting should be **subjective or objective**, and;
- ensuring that the UTR contains sufficient **context and reasoning** based on the service provider's professional knowledge.

40. Could a separate session be organized specifically for accounting firms?

The FIU may organize **sector-specific sessions** when requested or when considered necessary based on reporting trends or common questions. The FIU can also **participate in sessions organized by service providers** and provide guidance or presentations upon request.

41. Does the FIU plan to organize additional sector-specific training sessions in the future?

Yes, the FIU will organize sector-specific training sessions focused on topics relevant to each sector. The priority and timing of these sessions depend on factors such as **reporting behavior** and **understanding of the reporting obligation**.

Service providers can also **request in-person meetings** with the FIU should urgent issues arise.