




# Fraudulent Trade Document Detection Checklist for AML/CFT

Fraudulent trade documents, such as import/export documentation, is a key technique exploited in money laundering (ML), terrorist financing (TF), and proliferation financing (PF) schemes.

**Also known as:** Trade-Based Money Laundering (TBML), Trade Document Fraud.

**Used for:** Obscuring the movement of illicit funds across borders, inflating or deflating invoices, disguising the origin and ownership of goods and capital.

**Abuse in ML/TF/PF:** Criminals use fake or manipulated bills of lading, invoices, customs documents and shipping records to justify cross-border transactions and misrepresent the nature, quantity, or value of traded goods.



## 2. Applicability

### Financial Institutions (FIs):

- Banks
- Trade Finance Units
- Export Credit Agencies
- Money Transfer Businesses

### Designated Non-Financial Businesses and Professions (DNFBPs) such as:

- Dealers in Precious Metals and Stones (DPMS)
  - Trust and Company Service Providers (TCSPs) (handling trade documents)
  - Auditors and Accountants (handling trade documents)
  - Lawyers, Notaries, and Other Legal Professionals (handling trade documents)
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## 3. How to Use This Checklist

- Front-line teams should use this checklist during onboarding and periodic KYC reviews of import/export clients.
- Compliance officers must validate the adequacy of customer declarations and transaction rationales.
- Transaction monitoring units can reference these indicators for red-flag generation.
- Compliance Officers and senior compliance staff should integrate checklist responses into suspicious activity report (SAR) triggers.

## 4. Yes/No-Style Checklist

Yes No

### A. Customer Risk Profiling

Has the customer declared valid import/export licenses and permits?

Are beneficial ownership details verified and up to date?

Does the customer operate in high-risk jurisdictions or sectors?

Is the trading volume consistent with the declared business size?

### B. Document Verification

Are invoices consistent in value and detail with goods descriptions?

Are bills of lading authentic and match shipment records?

Is the origin of goods traceable and verifiable?

Are customs declarations supported by underlying documentation?

### C. Transaction Behavior

Are transactions within expected frequency and volume limits?

Are there signs of over/under-invoicing?

Are there recurring round-dollar payments or overuse of LC/bills?

Is there a mismatch between invoice values and actual shipment data?

**D. Counterparty Due Diligence**

Yes No

Are foreign counterparties verified and have credible business standing?

Are they based in sanctioned or high-risk countries?

Are relationships between customer and counterparties disclosed?

Do counterparties engage in unusually high-volume trade with the customer?

**E. Red Flags and Anomalies**

Are documents altered, forged, or missing essential fields?

Is there a lack of economic rationale for the transaction?

Are third-party intermediaries being used without clear justification?

Do documents show inconsistencies in logos, dates, or formats?

**F. Reporting and Escalation**

Are anomalies reported in the case management system?

Is there a documented escalation path for suspicious trade activity?

Are relevant teams informed of unusual transaction trends?

Are STRs filed where necessary in a timely manner?

### G. Training and Oversight

Yes No

Are transaction monitoring staff trained on TBML indicators?

Are front-line teams aware of common document fraud methods?

Is there a periodic review of trade document risks?

Are internal audit and quality assurance functions involved in oversight?

**Confused about the Next Steps or the Checklist Flags?**  
Speak to us for tailored AML support and clarity.

[Call Us Now!](#)

## 5. How a RACI Matrix Enables Task Delegation and Role Clarity

- Defines clear ownership of due diligence and verification steps.
- Avoids duplication of effort across compliance and operations.
- Improves accountability during SAR decision-making processes.
- Supports internal audit by mapping responsibilities to actions.
- Enhances training by showing role-specific obligations.

## 6. RACI Chart

A RACI chart is a responsibility delegation matrix used by businesses to chart out individual roles and responsibilities within teams. RACI stands for and defines who is “Responsible”, “Accountable”, “Consulted”, and “Informed” in the context of specific tasks.

### How the RACI Framework Helps?

- Clarifies roles at each stage of the AML lifecycle.
- Improves communication across functional teams.
- Enables auditability and traceability of compliance actions.

Activity	Front-Line Staff	KYC Analyst	Transaction Monitoring Analyst	AML Compliance Officer	Senior Management
Customer Onboarding	R	C	C	A	I
KYC and CDD	C	R	C	A	I
Putting in place information systems, internal controls, and policies, procedures to mitigate risks	I	C	C	R	A
Red flag Detection	R/C	R/C	R/C	A	I
Red flag Review	C	C	R/C	A/R	I
Filing suspicious activity reports	C	C	C	A/R	I
Training and awareness	C	C	C	A/R	I
AML CFT Policy Management	I	C	C	R	A

Confused about who should act, approve, or escalate?  
We'll help you map the right RACI for your team.

[Book a Consultation](#)

## 7. Actionable Points for Businesses to Enhance Risk Mitigation of Fraudulent Trade Documents

### In-House Compliance Department

- Integrate trade documentation checks into the core AML program
- Assign ownership of trade risk management to a specialised team
- Use technology to automate document validation and anomaly detection.

### Conduct Role-Specific AML Training

- Train trade finance staff to detect fake bills/invoices
- Provide case studies of past TBML schemes to all compliance teams
- Include periodic refresher on typologies and risk factors.

## 8. Best Practices: Checklist + RACI-Driven Implementation

- Use anomaly detection tools to flag document inconsistencies
- Integrate IT systems with compliance workflows for trade validation
- Regularly review and update KYC profiles based on trade activity
- Implement tiered reviews for high-risk jurisdictions or products
- Ensure RACI is mapped for each stage of the trade transaction lifecycle

**Need help linking this Checklist to your RACI Structure?**

Talk to us for tailored Role-Mapping and AML Support.

**Call Us Now!**

## AML Compliance Simplified!

AML UAE is an Anti-Money Laundering (AML) consulting firm with decades of experience supporting businesses across the UAE.

We have expertise in providing various AML services to DNFBPs, such as Lawyers, Real Estate Agents, Accountants and Auditors, Dealers in Precious Metals and Stones, and Company Service Providers. We also provide AML consultancy services to Virtual Asset Service Providers.

We are equipped to help you register on the goAML portal. We conduct Enterprise-Wide Risk Assessments and align your AML/CFT policies and procedures in line with them. We design customized forms and templates for carrying out KYC, Customer Risk Assessment, and Enhanced Due Diligence for your customers. We help you prepare and submit reports like SAR, STR, FFR, PNMR, HRC, HRCA, DPMSR, etc. We ensure that your employees are well-trained from an AML perspective.

Not just this, we assist regulated entities with decoding the Remedial Action Plan and effectively implementing the authority's recommendations around the AML program.

AML UAE is your go-to partner for handling all your compliance-related requirements.

Once we enter the picture, AML compliance is ensured. With that, you can continue to be a highly reputed business, actively striving to counter money laundering, terrorist financing, and proliferation financing.

## Our Team



### Pathik Shah

*Founder*

CAMS, FCA, CISA, CS, DISA (ICAI), FAFP (ICAI)

Pathik is a Chartered Accountant with proven experience in governance, risk, and compliance. He helps companies with end-to-end AML compliance services, from conducting Enterprise-Wide Risk Assessments to implementing robust AML compliance frameworks. He has played a pivotal role as a functional expert in developing and implementing RegTech solutions for streamlined compliance.



### Jyoti Maheshwari

*Partner*

CAMS, ACA

Jyoti is a Chartered Accountant and Certified Anti-Money Laundering Specialist with extensive hands-on experience in regulatory compliance, legal advisory, policy-making, tax consultation, and technology project implementation. Jyoti holds experience with Anti-Money Laundering regulations prevalent across various countries. She helps companies with risk assessment, designing and deploying adequate mitigation measures, and implementing the best international practices to combat money laundering and other financial crimes.

## Our Team



### Dipali Vora

*Partner*

CAMS, ACS

Dipali is an Associate member of ICSI and a Certified Anti-Money Laundering Specialist (CAMS). She has a strong background in the compliance domain, including Anti-Money Laundering, due diligence, secretarial audit, and managing scrutiniser functions. She currently assists clients by advising and helping them navigate through all the legal and regulatory challenges of Anti-Money Laundering Law. She helps companies to develop, implement, and maintain effective AML/CFT and sanctions programs.



### Purva Buch

*Senior Consultant*

CAMS, LLB

Purva is a Certified Anti-Money Laundering Specialist (CAMS) and a Lawyer. She has substantial knowledge of Anti-Money Laundering Laws, Rules, Regulations, and AML Compliance Processes. Purva has been instrumental in drafting RegTech processes, corporate policymaking, and fulfilling various legal research and drafting requirements arising from AML laws and regulatory technology.

## Service Matrix

Service	Common Drivers							Value Proposition
	Ensure legal compliance	Save time and costs	Need expert support	Automate compliance processes	Implement best practices	Crisis management	Change AML/CFT consultant	
goAML Registration	✓		✓					Streamlines the process of registering with the UAE FIU goAML portal. Ensures compliance and reduces administrative burden.
Enterprise-Wide Risk Assessment	✓	✓	✓		✓		✓	Identifies risk factors, gross risk, controls deployed and their effectiveness, residual risk, and need for additional controls.
AML/CFT Policy Drafting	✓	✓	✓		✓		✓	Provides tailored AML/CFT policy frameworks that are up-to-date with current laws, enhancing regulatory compliance.
In-house Compliance Department Set-up	✓		✓		✓		✓	Establishes a robust internal compliance structure, helps recruit the right resources and ensures ongoing compliance efficiency.
KYC Managed Services	✓	✓	✓		✓	✓		Outsourced KYC processes that speed up customer onboarding and maintain high compliance standards.
Ongoing AML/CFT Consulting	✓	✓	✓	✓	✓	✓	✓	Continuous expert advice tailored to address specific challenges, enhancing overall compliance strategies.
AML/CFT Health Check	✓		✓		✓	✓	✓	Conducts comprehensive reviews and assessments to pinpoint vulnerabilities and recommend improvements.
AML Training	✓	✓	✓		✓		✓	Offers comprehensive training programs that enhance the compliance skills of employees at all levels.
AML Software Selection	✓	✓	✓	✓	✓			Helps choose the best AML software that fits the company's needs, improving efficiency and cost-effectiveness.
Screening Software Validation	✓		✓	✓	✓			Tests and validates screening tools to ensure they meet regulatory requirements and operational needs.
Regulatory Reporting	✓	✓	✓		✓		✓	Streamlines the process of creating and submitting SAR, STR, PNMR, FFR, DPMSR, REAR, HRC, and HRCA reports accurately and on time.

# AMLVerse

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<p><b>AML Consultants.us</b></p> <p>Your trusted partner in simplifying AML compliance, ensuring regulatory adherence and protecting your business.</p> <p><a href="https://amlconsultants.us">amlconsultants.us</a></p>	<p><b>aml ksa</b></p> <p>At the core of our business is ensuring AML/CFT compliance for yours.</p> <p><a href="https://amlksa.com">amlksa.com</a></p>	<p><b>aml bahrain</b></p> <p>Our priority is your peace of mind – ensuring AML/CFT compliance is how we deliver it</p> <p><a href="https://amlbahrain.com">amlbahrain.com</a></p>	<p><b>aml muscat</b></p> <p>Timely service, flawless compliance, and peace of mind – your AML/CFT partner you can trust</p> <p><a href="https://amlmuscat.com">amlmuscat.com</a></p>
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