



**NIGERIAN BAR ASSOCIATION ANTI-MONEY
LAUNDERING COMMITTEE**

GUIDELINE FOR LAW FIRMS/LEGAL PRACTITIONERS

IN PREPARING SUSPICIOUS TRANSACTION/ACTIVITY REPORTS

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**TO FILE STRS AND REGISTER WITH NBAAMLC
VISIT [HTTPS://NBAAML.COM](https://NBAAML.COM)**

**Nigerian Bar Association Anti-Money Laundering
Committee (NBA AMLC)**

***Guideline for Legal Practitioners/Law Firms for Preparing a
Suspicious Transaction / Activity Report (STR/SARs)***



MAY 2025

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LIST OF ABBREVIATIONS

1. ATM- Automated Teller Machines
2. AML – Anti-Money Laundering
3. CDD-Conduct Due Diligence
4. CFT – Counter Financing of Terrorism
5. CPF – Counter Proliferation Financing
6. DNFBPs - Designated Non-Financial Businesses and Professions
7. FATF- Financial Action Task Force
8. FI– Financial Institutions.
9. LEAs- Law Enforcement Agencies
10. ML - Money Laundering
11. NBA-AMLC - Nigeria Bar Association Anti-Money Laundering Committee
12. NFIU - Nigerian Financial Intelligence Unit
13. PF- Proliferation Financing
14. RPC - Rules of Professional Conduct
15. SAR- Suspicious Activity Report
16. STRs - Suspicious Transaction Report
17. TF - Terrorist Financing
18. WEB-World Wide Web
19. XML- eXtensible Markup Language

1.0 INTRODUCTION

This Guideline is designed to assist legal professionals and law firms in understanding and fulfilling their anti-money laundering obligations relating to Suspicious Transactions Report (STR) and Suspicious Activity Report (SAR), which is provided under Part II of the Rules of Professional Conduct for Legal Practitioners (RPC) 2023. It provides clear directions on:

- What constitutes an STR/SAR
- How to identify STR/SAR
- When an STR/SAR should be filed, and
- The correct procedures for filing STR/SAR

In many instances, STRs have been instrumental in enabling law enforcement to initiate or support major money laundering or terrorist financing investigations and other criminal investigations. Information provided in STRs assists in identifying emerging trends and patterns associated with financial crimes, thereby providing vital intelligence to law enforcement agencies and valuable feedback to the reporting entities. Legal Professionals and Law Firms are required to file complete and sufficient STRs promptly. When filing STRs/SARs, it is essential that they are complete, accurate, and provide organised narratives, thus enabling meaningful analysis. The failure to adequately describe the factors making a transaction or activity suspicious undermines the very purpose of the STRs and lessens their usefulness to law enforcement. The STR narrative serves as the only free text area for summarizing suspicious activity. The designated money Laundering Reporting Officer must ensure that narratives are clear, concise, and coherent.

1.1. OBJECTIVES

Law firms are expected to file STRs/SARS for the following reasons:

- a) To comply with legal and regulatory obligations under the Rules of Professional Conduct (RPC) for Legal Practitioners 2023 and the Nigerian Bar Association Anti-Money Laundering Committee (NBA-AMLC) Appointment and Examination Rules and Protocols, 2024.
- b) Protect the integrity of the legal profession by ensuring that legal services are not misused for illicit purposes
- c) Detect and prevent financial crimes, including money laundering, terrorism financing, and proliferation financing.
- d) Support law enforcement and the Financial Intelligence Unit by providing timely and relevant information to aid in investigations and crime prevention.

- e) Protect the integrity of the legal profession by ensuring that legal services are not misused for illicit purposes
- f) Strengthen entities' existing due diligence initiatives and anti-money laundering/financing of terrorism programs.
- g) Assist legal professionals in preparing a complete SAR/STR narrative and provide a general guideline on how to organize the STR narrative so that critical details are concise and follow a logical order of presentation; and
- h) Use a simple methodology for evaluating and reporting information for the STR narrative and why it is important.

Late filing, absence of supporting documentation, and/or inaccuracies in STR may impact law enforcement's ability to determine whether a crime has been committed or continues to be committed and the extent of any possible criminal activity that has been committed. Therefore, it is imperative that reporting institutions file complete and sufficient STR in a timely manner.

1.2. THE RELATIONSHIP BETWEEN NBA-AMLC AND NFIU IN THE RECEIPT/ANALYSIS OF STRS/SARS

The Nigerian Bar Association (NBA) established its Anti-Money Laundering Committee (AML Committee), which is a self-regulatory body. The NBA AML Committee is independent of the Association and any other body or Institution. It is mandated to promote compliance with Nigeria's AML/CFT framework, and relevant international standards.

Rule 59 (1) of the RPC 2023¹ stipulates the obligations of the NBA-AMLC to include:

- (1) The Nigerian Bar Association Anti-Money Laundering Committee (NBAAMLC) may solely undertake compliance examination of law firms on a risk-based approach.
- (2) The examination template shall be developed by the NBAAMLC.

Rule 60 RPC stipulates that-

- (1) A Legal practitioner shall put in place mechanism to implement Targeted Financial Sanction related to Terrorism and Proliferation Financing.
- (2) A Legal Practitioner shall monitor and screen all persons and transactions on the UN Consolidated List of persons and entities designated by the UN in accordance with UNSCR 1267(1999) and its successor resolutions.
- (3) A Legal Practitioner shall monitor and screen all persons and entities against the Nigerian

¹ Rule 59 (1) of the Rules of Professional Conduct for Legal Practitioners 2023 Available at: https://nbaaml.com/welcome/rpc_nbaamlc.pdf

Sanction List as available on www.nigsac.gov.ng .

- (4) Where there is positive match on the UN Consolidated List of persons and entities designated by the UN in accordance with UNSCR 1267 (1999), UN and its successor resolutions, and the Nigeria Sanction List, a legal practitioner shall-
- (a) immediately, identify and freeze, without prior notice, all funds, assets, and any other economic resources belonging to the designated person or entity in their possession and report same to NBAAMLIC for onward transmission to the Sanctions Committee
 - (b) report to the NBAAMLIC for onward transmission to the Sanctions Committee any assets frozen or actions taken in compliance with the prohibition requirements of the relevant UNSCRs, including attempted transactions;
 - (c) immediately file a Suspicious Transactions Report to the NBAAMLIC for onward transmission to the NFIU for further analysis on the financial activities of such an individual or entity; and
 - (d) report as a Suspicious Transactions Report to the NBAAMLIC for onward transmission to NFIU, all cases of name matching in financial transactions prior to or after receipt of the Nigerian Sanctions List.

Building on this premise, and to address the issues of confidentiality, NBA-AMLIC and the NFIU have recognized the importance of working collaboratively to address their respective concerns and achieve a balanced approach to compliance and protection of confidentiality requirements. Accordingly, Legal Practitioners/Law firms must file STRs/SARs through the STR reporting portal on the Nigerian Bar Association Anti-Money Laundering Committee (NBA AMLC) - [Https://nbaaml.com](https://nbaaml.com) .

The STR reports go directly to NFIU through this portal. The portal has the highest level of security, confidentiality and safety requirements for the protection of lawyers, lawyer-client data and the reports.

2.0. COLLECTION OF INFORMATION FOR THE STR NARRATIVE

Given the importance of STR in the generation of actionable intelligence for the detection and prevention of ML/TF/PF, the information filed must be accurate, verifiable and complete. The STR should include any information readily available to the filing legal practitioner/Law firm, obtained through the Client onboarding process.

An STR narrative should identify the five essential elements of information: Who? What? When? Where? and Why? of the suspicious transaction or activity being reported? The method of operation (or how?) is also important and should be included in the narrative.

2.1. WHO IS CONDUCTING THE SUSPICIOUS ACTIVITY?

While one section of the STR template calls for specific “subject” information, the narrative should be used to further describe the subject individual or individuals concerned, including occupation, position or title within the business, and the nature of the individual’s business (es). If more than one individual or business is involved in a suspicious transaction or activity, each should be identified and any known relationships amongst them in the Narrative Section. While detailed information may not always be available (e.g., in situations involving non-clients), however, where it involves the client, such information should be included to the maximum extent possible. Addresses for suspects are important. Law firms/Legal Practitioners should note not only the suspect’s primary street addresses but also other known addresses, including any post office box numbers and apartment numbers when applicable. Any identification numbers associated with the individuals(s) other than those provided earlier are also beneficial, such as passport, alien registration, driver’s license numbers, email addresses, telephone numbers, etc.

2.2. WHAT INSTRUMENTS OR MECHANISMS ARE BEING USED TO FACILITATE THE “SUSPICIOUS” TRANSACTION(S)?

An illustrative list of instruments or mechanisms that may be used in suspicious transactions or activity includes, but is not limited to, buying and selling of real estate, managing client money, securities or other assets, managing bank accounts, organizing contributions for the creation of companies, and buying and selling business entities. In addition, several different methods may be employed for initiating the negotiation of funds, such as the Internet, phone access, mail, night deposit box, remote dial-up, couriers, or third parties. In summary, the flow of funds always include the source of the funds (origination) that led to the application for, or recipient use of, the funds(as beneficiary).In documenting the movement of funds, identify all account numbers affected by the suspicious transaction or activity and when possible, provide any other account numbers held by the subject and the names/locations of the other financial institutions, including money service businesses (MSBs) and foreign institutions involved in the reported transaction/activity. It is also very essential that the location of the depositor(s) and beneficiary (ies) is provided.

2.3. WHEN DID THE SUSPICIOUS ACTIVITY TAKE PLACE?

If the transaction or activity took place over some time, indicate the date when the suspicious activity was first noticed and describe the duration of the activity. Legal Practitioners/Law firms will often provide a tabular presentation of the suspicious account activities (transactions in and out). While this information is useful and should be retained, **do not** insert objects, tables, or pre-formatted spreadsheets when filing a STR. This should be attached to the STR template under ‘Attachment’. These items may not convert properly when keyed in or merged into the STR System. Also, to better track the flow of funds, individual dates and amounts of transactions should be included in the narrative rather than just the aggregated amount(s).

2.4. WHERE DID THE SUSPICIOUS ACTIVITY TAKE PLACE?

Use the Narrative Section to indicate that multiple offices or branches of a single entity were involved in the suspicious activity and provide the addresses of those locations. Specify if the suspected activity or transaction(s) involve a foreign jurisdiction. If so, provide the name of the foreign jurisdiction, financial institution, address and any account numbers involved in, or affiliated with the suspected activity or transaction(s).

2.5. WHY DOES THE REPORTING ENTITY THINK THE ACTIVITY IS SUSPICIOUS?

We suggest that you first briefly describe your industry or business – for example, law firm, then describe, as fully as possible, why the activity or transaction is unusual for the customer; consider the types of products and services offered by your industry and the nature and normally expected activities of similar customers. The list of indicators provided by NBAAMLIC under the STR template can assist filers in this regard.

2.6. EXAMPLES OF SOME COMMON PATTERNS OF SUSPICIOUS TRANSACTIONS OR ACTIVITIES ARE:

- a) Lack of evidence of legitimate business activity, or any business operations at all, undertaken by many of the parties to the transaction(s).
- b) Unusual financial nexuses and transactions occurring among certain business types (e.g., a food importer dealing with an auto parts exporter).
- c) Transactions that are not commensurate with the stated business type and/or that are unusual and unexpected in comparison with the volumes of similar businesses operating in the same locale.
- d) Unusually large numbers and/or volumes of wire transfers and/or repetitive wire transfer patterns.
- e) Unusually complex series of transactions indicative of layering activity involving multiple accounts, banks, parties, and jurisdictions.
- f) Suspected shell entities.
- g) Bulk cash and monetary instrument transactions.
- h) Unusual mixed deposits of money orders, third-party checks, payroll checks, etc., into a business account.
- i) Transactions being conducted in bursts of activity within a short period of time, especially in previously dormant accounts.

- j) Transactions and/or volumes of aggregate activity inconsistent with the expected purpose of the account and expected levels and types of account activity conveyed to the financial institution by the account holder at the time of the account opening.
- k) Beneficiaries maintaining accounts at foreign banks that have been subjects of previous STR filings.
- l) Parties and businesses that do not meet the standards of routinely initiated due diligence and anti-money laundering oversight programs (e.g., unregistered/unlicensed businesses).
- m) Transactions seemingly designed to or attempting to avoid reporting and recordkeeping requirements, and correspondent accounts being utilized as “pass-through” points by foreign jurisdictions, with subsequent outgoing funds to another foreign jurisdiction.

Further indicators of ML/TF are provided on the XML template to assist reporting institutions.

2.7. HOW DID THE SUSPICIOUS TRANSACTION OR ACTIVITY OCCUR?

Use the Narrative Section to describe the “modus operandi” or the method of operation of the subject conducting the suspicious transaction or activity. In a concise, accurate and logical manner, describe how the subject transaction or pattern of transactions was committed. Provide as completely as possible a full picture of the suspicious transaction or activity involved. For example, if what appears to be the structuring of currency deposits is matched with outgoing wire transfers from the accounts, the STR narrative should include information about both the inbound and outbound transfers (including dates, destinations, amounts, accounts, frequency, and beneficiaries of the fund transfers).

3. CONDUCTING INTERNAL INVESTIGATION AND ORGANIZING INFORMATION IN THE STR NARRATIVE

When all applicable information is gathered, analyzed, and documented and the Legal Practitioner/Law firm reporting decides that a STR is required, the institution should conduct an internal investigation, and the outcome of the internal investigation should be described and summarized in the STR Narrative in a concise and chronological format.

The internal investigation report must be conducted as soon as possible to enable reporting institutions to capture and report all elements of the five W’s (**Who? What? When? Where? and Why?**).

Note that it is only by conducting a thorough internal investigation that reporting institutions can be able to address all the issues previously discussed in Section 1 of this document, as well as provision of any other information that can assist in conducting a thorough analysis and investigation, respectively. We suggest that you divide the narrative into three sections: an introduction, a body, and a conclusion as follows:

A) INTRODUCTION:

The introductory paragraph can provide:

- i. The purpose of the STR and a general description of the known or alleged violation. In some instances, this might warrant mentioning at the outset the type of suspicious transaction or activity being observed,
- ii. The date of any STR(s) filed previously on the suspect or related suspects and the reason why the previous STR(s) were filed;
- iii. Whether the STR is associated with the jurisdictions/entities/individuals subject to international designations, for instance, United Nations Sanctions Lists, the Nigeria List, or other government lists for individuals or organizations;
- iv. A summary of the “red flags” and suspicious patterns of activity that initiated the STR.

(This information should be provided either in the introduction or conclusion of the narrative.)

B) BODY:

The next paragraph or paragraphs of the narrative can provide all pertinent information, supporting why the STR was filed and might include:

- i. Any relevant facts about the parties (individuals and businesses) who facilitated the suspicious activity or transactions. Include any unusual observations such as suspected shell entities; activities which are not commensurate with the expected normal business flows and types of transactions; unusual multiple-party relationships; customer verbal statements; unusual and/or complex series of transactions indicative of layering; lack of business justification and documentation supporting the activity, etc.
- ii. A specific description of the involved accounts and transactions, identifying if known, both the origination and application of funds (usually identified in chronological order by date and amount); breaking out larger volumes of financial activity into categories of credits and debits, and by date and amount.
- iii. An explanation of any observed relationships among the transactors (e.g., shared accounts, addresses, employment, known or suspected business relationship and/or frequency of transactions occurring amongst them; appearing together at the institution and/or counter); Any factual observations or incriminating statements made by the suspect.

C) CONCLUSION:

The final paragraph of the narrative can summarize the report and might also include:

- i. Information about any follow-up actions conducted by the Law firm/Legal Practitioner (e.g., ongoing monitoring of activity, blocking of accounts, termination of relationship etc.)

- ii. Names and telephone numbers of other contacts at the Law firm or with the Legal Practitioner, if different from the point of contact indicated in the STR;
- iii. A general description of any additional information related to the reported transaction or activity that may be made available to law enforcement by the institution; and
- iv. Names of any law enforcement agency already investigating the case.

NOTE

It is required that the internal investigation and reporting of suspicious transactions should be done immediately after a suspicion is noticed in line with the provision of RPC 2023. Where it is not possible to conclude the internal investigation within the 24-hour period, the STR should be filed clearly indicating that there is an ongoing internal investigation and the same will be forwarded to when concluded under Action Taken on the STR template.

4. FILING THE SUSPICIOUS TRANSACTION OR ACTIVITY REPORTS

Reporting law firms/lawyers should file STRs via the AMLC WEB Report portal. This makes it easier for the Law Firms that do not have a third-party application to generate reports in XML format. It also gives the flexibility of providing detailed REASON(s) FOR SUSPICION and ACTION TAKEN, which may be unique and cannot be general for all STRs.

4.1. ATTACHMENTS

It is important to attach all necessary documents to the STR. These documents should include a summary of the internal investigation report, Account Opening package (if any), Statement of Account(s) and the instrumentalities used in the suspected transaction or activity. It is required that all statements of accounts should be converted to EXCEL FORMAT for ease of analysis.

5.0. FEEDBACK

NFIU is required to send periodic feedback on all STRs/SARs received, analyzed and disseminated to NBA AMLC on STR/SAR regarding the status of the report received this will clearly indicate the following;

- a) Number submitted to NFIU
- b) Number rejected by NFIU with specific reason(s);
- c) Number under investigation

- d) Number under prosecution; number of convictions
- e) Number profiled by the NFIU (Put under monitoring and not disseminated to any LEA)

6.0. PENALTY FOR NON-COMPLIANCE WITH THIS GUIDELINE

Any Legal Practitioner/Law firm that fails to comply with this guideline shall be appropriately sanctioned by the NBA AMLC through the Legal Practitioners Disciplinary Committee. Any STR filed that is not in conformity with this guideline shall be rejected and will be considered as not having been filed at all.

All Enquiries regarding the Guideline can be forwarded to:

The Co-Chairman

NBA AMLC Secretariat

NBA Secretariat,

Plot 1101 Mohammadu Buhari Way,

Central Business District, Abuja.

Email: nbaamlc@nigerianbar.org.ng

AMLC Portal: <https://nbaaml.com/welcome/>



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