

INDICATORS OF SUSPICIOUS TRANSACTIONS FOR STOCKMARKET EXCHANGE

1. Frequent trading in securities when purchase is made by depositing cash into special accounts and shortly afterwards selling them below the price.
2. Arranged block trade in stocks at a price obviously lower than the actual market price, where buyers hold special purpose accounts credited either with cash deposits or transfers from off-shore destinations.
3. Purchasing securities with the funds deposited in several accounts kept in different banks.
4. Investing in blue-chip or promising securities with good return, without showing interest in the outcome, or selling them suddenly and without good reason.
5. Client has a bad reputation for illegal activities in the past, or his/her past is impossible to check.
6. Frequent changes of brokerage companies by the client, with intention to disguise the volume of the trading, or his/her financial standing.
7. Trade in bearer securities (saving bills of the National Bank of Serbia, certificates of deposit) for cash and their redemption by the issuer within or before the maturity date without good reason.
8. Purchase of a large number of securities with cheques issued by a third party, or with funds from accounts that were inactive for a long period of time, but were then suddenly credited for large amounts.
9. Unusual number of securities certificates which were not made in the name of the client, but were through endorsement transferred to another person or bearer.
10. Trading in the stock market and over the counter with stocks that were a collateral for borrowings granted to stock holders – so-called “stock manipulation through market.”
11. Client is willing to invest money in unfavorable securities and investments.
12. Trading in securities financed from countries where according to the information provided by the relevant international organizations and data available to the Administration there are no anti-money laundering standards in place, or which have strict banking secrecy laws.
13. Free of payment (FOP) transactions, when broker-dealers companies submit notice on behalf of their clients to the Central Register of Securities of change in ownership of securities, without actually conducting transactions through securities accounts.
14. Free of payment transactions in the form of a gift to persons who do not seem to be a family relation to the owner, or in a form of voluntary transfer of securities by employees in favor of their company’s management or other natural persons when a group of persons waive the ownership of securities.
15. Owners of securities authorise third parties (natural persons) to manage their securities and bank accounts, which result in “connected” transactions between various bank

accounts, as well as securities transactions between owners of securities and persons authorised to manage them.

16. Trading in securities in favor of legal entities from offshore destinations, which use services of custody banks in country and abroad.