

## WHAT TO DO IF YOU SUSPECT A RED FLAG?

1. Look for additional relevant information about your customers.
2. Re-evaluate your information after the inquiries.
3. Stop the transaction, disclose the information to STMO, and wait.



## REACH US

### STRATEGIC TRADE MANAGEMENT OFFICE

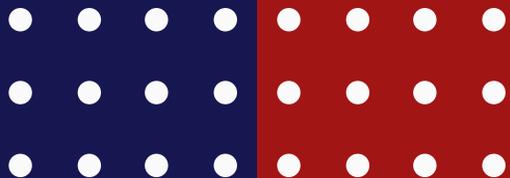
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Source: *BIS Know-Your-Customer Guideline*



A GUIDE ON

# Common Red Flags

To help companies examine transactions and comply with the

**STRATEGIC TRADE MANAGEMENT ACT**



## KNOW-YOUR-CUSTOMER GUIDELINES



- A customer's name or address is similar to one of the parties found on the denial lists or sanctions list.
- A customer or purchasing agent is reluctant to offer information about the end-use of an item.
- A product's capabilities do not fit the buyer's line of business; for example, a small bakery places an order for sophisticated computers.
- A customer is willing to pay cash for a very expensive item when the terms of sale would normally call for financing.
- A customer has little or no business background.
- A customer is unfamiliar with the product's performance characteristics but still wants it.
- A customer declines routine installation, training or maintenance services.
- Delivery dates are vague or deliveries are planned for out-of-the-way destinations.
- A freight forwarding firm is listed as the product's final destination.
- The shipping route is abnormal for the product and destination.
- Packaging is inconsistent with the stated method of shipment or destination.
- When questioned, the buyer is evasive and especially unclear about whether the purchased product is for domestic use, export or re-export.