

Compliance Bulletin – February 2026 Edition

Anti Money Laundering/Countering Financing Terrorism Risks in Cross-Border Remittances

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Introduction and Training purpose

Cross-border remittances enable fast and convenient movement of funds for families and businesses. However, the same speed and accessibility also make them attractive to criminals seeking to launder money or finance unlawful activities. As payouts occur locally, frontline staff serve as the first and most critical line of defence, and a single missed red flag can expose the institution to significant regulatory and reputational risk.

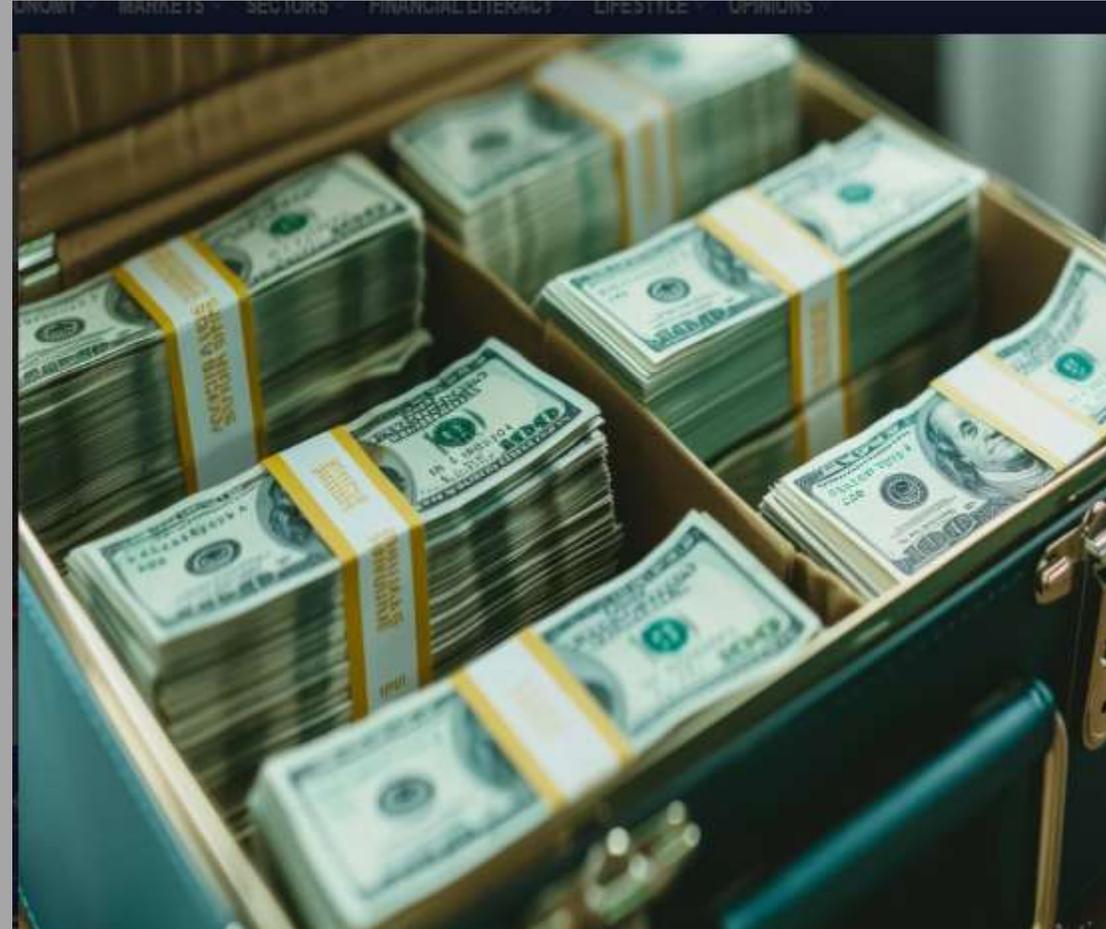
This training is designed to help staff:

- Recognise suspicious remittance behaviour
- Identify common abuse patterns (structuring, smurfing, mule activity)
- Understand when to pause and escalate a transaction
- Protect customers, the institution, and the financial system



Why Remittances Are High Risk

- Money moves quickly across countries, making tracing difficult
- Sender identity may be hard to verify abroad
- Funds become difficult to trace or recover after cash payout
- Many small transfers can avoid reporting limits
- Multiple senders can fund one receiver
- Risk that the named beneficiary is not the real owner of the funds.
- Criminals use remittances to move illegal money and finance activities



Key Red Flags (Inbound Transfers)

- Many transfers received within a short period
- Different senders sending to one beneficiary
- Similar amounts just below reporting limits
- Customer cannot clearly explain sender relationship
- Immediate full cash withdrawal after payout
- Third party attempting to collect funds
- Customer becomes defensive when asked simple questions



👉 **If something feels unusual, pause and escalate.**

Common Abuse Typologies in Cross-Border Remittances

- **Structuring:** Large amounts are broken into several small transfers to avoid detection or reporting limits.
 - **Smurfing:** Many different people send money to one beneficiary to avoid attracting attention.
 - **Money Mule Activity:** A person receives money on behalf of someone else and quickly withdraws or moves it to hide the real owner of the funds.
 - **Third-Party Funding:** Money is received or paid from another person's account but is properly declared, authorised, and allowed by policy.
- **Simple Rule for Staff:**
 - ❖ If it is transparent and documented, it is likely third-party funding.
 - ❖ If it is hidden or intended to disguise the real owner of funds, it may be suspicious.



Conclusion

- ❖ *Remittance services are attractive to criminals due to their speed and cross-border reach.*
- ❖ *Even small transactions can present significant AML/CFT risk.*
- ❖ *When in doubt — escalate immediately in line with internal procedures.*
- ❖ *Early detection and proper reporting protect the institution, staff, and Nigeria's financial system.*



THANK
YOU!